

The NATIONAL UNDERWRITER

Life Insurance Edition

Insurance Library

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THE UNION CENTRAL LIFE INSURANCE COMPANY

CINCINNATI

OFFICE OF PRESIDENT

To N.A.L.U. Convention Delegates:

Never before, in the many years our organization has gathered together in annual convention, have we met at a time which presented a greater challenge, greater opportunities, than in this year of 1941.

Today we face a huge new market ... thousands and thousands of newly affluent people ... men and women with defense dollars mounting in their paychecks week by week.

All these surplus funds, if wasted or wrongly used, could bring about a buying hysteria which would impair our defense effort -- or, if not that, might be dribbled away for useless purposes. I consider it our patriotic duty to help the country keep its head, and put its extra dollars into productive ends ... insurance policies and annuities that will build something permanent for their owners, and which will funnel purchasing power, through our investment channels, back into basic, necessary uses.

The institution of life insurance is the best example I know of democracy in action. Through it every man can, according to his means, assure his own financial security and that of his family ... can do it standing on his own feet, without tipping his hat to anyone, without asking favors. To the universal cry for security, life insurance offers a solution which is economically sounder than that which the dictators impose ... a solution which is ruggedly democratic and not only preserves, but increases the self respect of every man who employs it. By furthering this institution of life insurance -- by doing our own jobs well -- we also can serve our country. We can show America, and the whole frightened world, that our kind of democracy is a vigorous, workable, going concern.

I hope these thoughts find echo in the mind of every one of you. And that this convention will be the most productive, the most inspired we have ever held.

May I, on behalf of my associates here in Cincinnati, greet you, and welcome you to the city. And we hope, while you're here, you will visit us personally.

Yours sincerely,

W. Howard Cox

President

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2nd CONVENTION DAILY

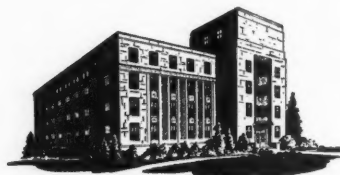
THURSDAY, SEPTEMBER 18, 1941

Welcome

NATIONAL ASSOCIATION OF LIFE UNDERWRITERS

52nd Annual Convention

CINCINNATI, OHIO



The OHIO NATIONAL LIFE INSURANCE COMPANY

CINCINNATI, OHIO

T. W. APPLEBY, President



Not all Protection Wardens wear tin hats!

Green-grocers and bookkeepers by day . . . helmeted heroes at night . . . the men of Britain's Air Raid Precaution Service have made a magnificent contribution to their country's defense.



HERE in America, busy men with plain felt hats in place of tin ones provide protection day and night for countless homes. They're not digging wounded children out of debris — but they are sending thousands of healthy children through school and college.

They're not snuffing out incendiaries on neighboring roofs — but they are helping the families under those roofs to carry on, after death has struck without a warning siren.

Who are *they*? They are the trained and experienced life insurance men and women of America, who are helping families to set up defenses that are certain in uncertain times.

From coast to coast, New England Mutual's group of Career Underwriters is eminently qualified to render intelligent

counsel on personal insurance problems.

Representing the first mutual life insurance company chartered in this country, they are equipped with a variety of unusually liberal contracts that may be written to suit *your* particular needs. A friendly consultation may be had without obligation on your part.

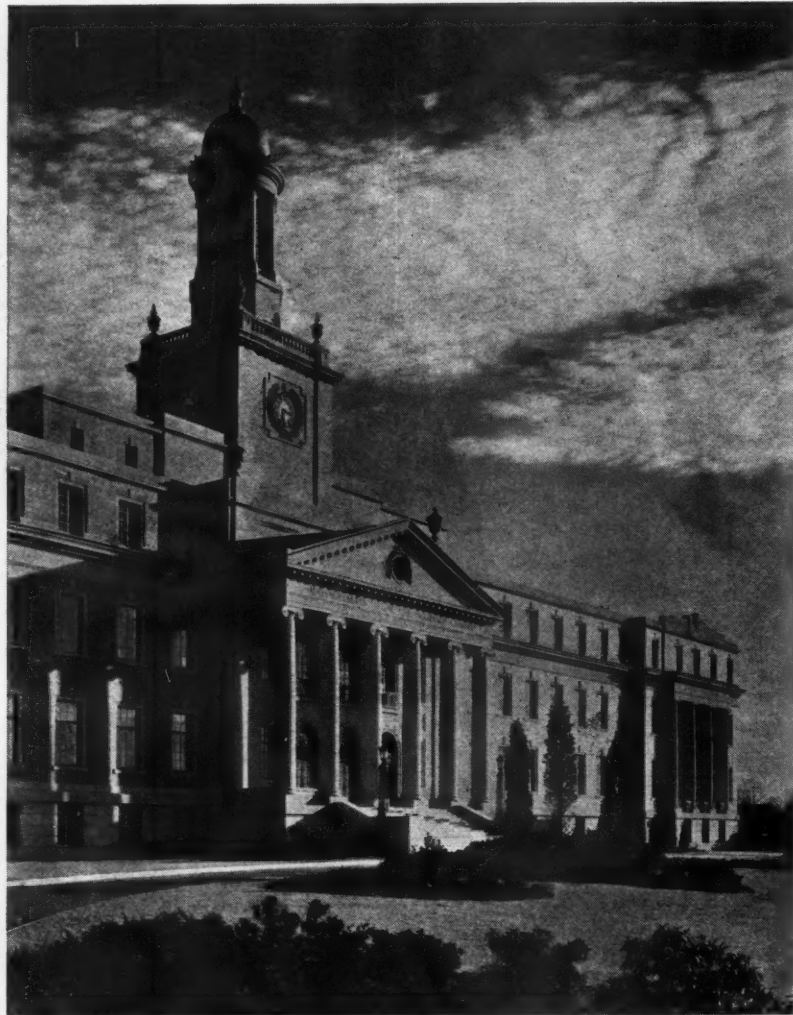
New England Mutual
Life Insurance Company  of Boston

George Willard Smith, President

Agencies in Principal Cities Coast to Coast

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA — 1835

This advertisement appears in THE SATURDAY EVENING POST of September 13th, TIME of September 29th, NEWS WEEK of October 6th



90th Anniversary Year

1851 ★ 1941

Massachusetts Mutual
LIFE INSURANCE COMPANY

Springfield, Massachusetts

Bertrand J. Perry, *President*

Welcome

N★A★L★U

to CINCINNATI...

ASSOCIATED LIFE GENERAL AGENTS AND MANAGERS OF CINCINNATI

MAX ABRAMS, Manager
 Occidental Life Insurance Co. of Cal.
JOSEPH W. AUSTIN, General Agent
 National Life Insurance Co. of Vermont
PHILIP C. BAKE, Manager
 Phoenix Mutual Life Insurance Co.
JUDD C. BENSON, General Manager
 The Union Central Life Insurance Co.
W. A. R. BRUEHL & SONS, General Agents
 Home Life Insurance Company of New York
PAUL H. BURKMAN, Manager
 Bankers Life Company of Iowa
W. THOMAS CRAIG, General Agent
 Aetna Life Insurance Company
L. B. DIERKES, Agency Director
 New York Life Insurance Company
WALTER C. DOLL, General Agent
 Berkshire Life Insurance Company
J. S. DREWRY & CO., General Agents
 The Mutual Benefit Life Insurance Company
WILLIAM T. EARLS, General Agent
 Connecticut Mutual Life Insurance Co.
THE ELLIS & BLOHM AGENCY, General Agents
 Provident Mutual Life Insurance Company
MILTON M. GATCH, Branch Manager
 Sun Life Assurance Company of Canada
JOSEPH M. GANTZ, General Agent
 The Pacific Mutual Life Insurance Company
J. D. GRANNIS, JR., General Agent
 Penn Mutual Life Insurance Company
GEORGE R. HAMMERLEIN, General Agent
 The Minnesota Mutual Life Insurance Company
BENJAMIN F. HEALD, General Agent
 The Lincoln National Life Insurance Company
THOMAS M. HERMAN, General Agent
 Northwestern National Life Insurance Co.

RAY HODGES, Manager
 The Ohio National Life Insurance Company
IRL B. JACKSON, General Agent
 Massachusetts Mutual Life Insurance Company
PAUL W. KISTLER, General Agent
 American United Life Insurance Company
W. E. LORD COMPANY, General Agents
 Continental Assurance Company
WILLIAM J. MACK, General Agent
 Northwestern Mutual Life Insurance Co.
CHARLES J. MCCOY, Manager
 The Mutual Life Insurance Co. of New York
ROGER Q. MILSTEAD, Manager
 The Prudential Insurance Company of America
J. B. MOORMAN, General Agent
 Equitable Life Insurance Company of Iowa
R. C. O'CONNOR, Manager
 Reliance Life Insurance Company of Pittsburgh
L. B. PERIN, Manager
 The Fidelity Mutual Life Insurance Company
GUY D. RANDOLPH, General Agent
 New England Mutual Life Insurance Co.
LEE B. SCHEUER, General Agent
 State Mutual Life Assurance Company
W. R. SMITH, Manager
 Acacia Mutual Life Insurance Company
BENJAMIN STONER, Manager
 Connecticut General Life Insurance Company
GEORGE VINSONHALER, General Agent
 John Hancock Mutual Life Insurance Company
CHARLES H. WIBLE, Manager
 Union Mutual Life Insurance Company
FRANK WIGLESWORTH, Manager
 The Travelers Insurance Company
GEORGE J. WOODWARD, Manager
 The Equitable Life Assurance Society of the U. S. A.

Cincinnati

The Queen City

It is with a great deal of pleasure and pride that the Associated Life General Agents and Managers of Cincinnati welcome you for the 1941 Convention of the National Association of Life Underwriters. While here we cordially invite you to avail yourselves of all our facilities to help make your visit a more pleasant one.



WE WILL MEET YOU IN THE ROOF GARDEN • HOTEL GIBSON • 9:30 P. M. TONITE



"...there's a Star in the West"

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Memorable Session Held Thursday

No. 1 Job Is to Defeat Hitler, Douglas Asserts

**Mutual Life President
Delivers Message of
Solemn Import**

President Lewis W. Douglas of Mutual Life, in addressing the main convention session Thursday morning, delivered a resounding appeal to rise to the defeat of Hitler. "There can be, there will be no peace, no tranquillity, no leisure, no freedom from want, no freedom from fear," he came to a crashing conclusion, "until this greatest of all objectives is attained and we, with all English speaking peoples, control the seas and the air above the seas lest some new brigand attempt again to break in upon our peaceful lives."

"In his 1941 message to Congress on the state of the nation, the president pictured a world founded upon four essential human freedoms," Mr. Douglas asserted.

"The first was freedom of speech and expression; the second, freedom of every person to worship God in his own way; the third, freedom from want, and the fourth, freedom from fear."

"We in the life insurance business deal chiefly with the last two. We do not, however, deal with them through economic understandings between nations, through reduction of armaments, or through suppression of aggression. Life insurance, through the inflexible operation of scientific principles and by means of a nationwide cooperation of our people, attains, more than any other single instrument at work in this country, two fundamental human freedoms—freedom from want and freedom from fear."

Friendly, Civilized Society

"The president was seeking a universal order based on the cooperation of free nations working together in a friendly civilized society. We, the life insurance agents of America, seek through the cooperation of free individuals and through personal endeavor and sacrifice a freedom based on the intrinsic worth of the human life and the conservation of earning power."

"As life underwriters, we have no assembly line to turn out the materials which will guarantee our country its freedom. Our job today is to play a leading part in making America economically strong so that it and its people will have the power to withstand whatever shocks they may have in the future. No other business in America can do this job as well as life insurance. Its importance to the welfare of the people is as great as that of the man on the end of the assembly line that turns out planes or tanks or guns."

"The unquestionable certainty of life insurance, demonstrated again and again through other most uncertain days, should cut through the fog of doubt and worry and prove to be a sure and unchanging investment in freedom for Americans."

Investment in freedom for Americans is the central idea, the hub of the convention's wheel. Today on the shores of the seven seas, in every land and among every



Clay Hamlin, Mutual Benefit, Buffalo; Ron Stever, Equitable Society, Pasadena, Cal., new vice-chairman, and R. P. Burroughs, National Life, Manchester, N. H., new chairman, Million Dollar Round Table.

New Trustees Are Elected for American College

At the annual meeting of the trustees of the American College of Life Underwriters these trustees were elected for three-year terms: O. J. Arnold, president Northwestern National Life; George A. Patton, vice-president Mutual Life; George H. Chace, vice-president Prudential, Newark, N. J.; T. M. Riehle, general agent, Equitable Society, New York; M. J. Cleary, president Northwestern Mutual Life, Milwaukee, Wisconsin; S. T. Whatley, vice-president Aetna Life; C. J. Zimmerman, general agent Connecticut Mutual Life, Chicago.

Robert Dechert, by virtue of his office as counsel of the college; Chester O. Fischer, Massachusetts Mutual, as chairman of the committee on training of the Association of Life Agency Officers; Sewell W. Hodge, Provident Mutual Life, treasurer of the college, and John D. Moynahan, as president of the American Society of Chartered Life Underwriters, become ex-officio members of the board. Chairman of the board is Julian S. Myrick, Mutual Life, New York, and vice-chairman, W. M. Duff, Equitable Society, Pittsburgh. There is no change in the officers of the college.

people, freedom of men and women, of institutions, is being challenged. The freedom of men and women and the freedom of the institutions of the United States, our own country, is being challenged. In a large part of the world it has already been extinguished and obliterated. No traces of it remain. With many it is not even a memory.

Greatest Challenge in History

"But we here still enjoy it. And we are still capable of continuing to enjoy it. We are still masters of our own soul, if only we have the will to be. Therefore this threat, this challenge to the continued enjoyment of freedom among us Americans here in America, is the most momentous, significant, challenge in the history of the

(CONTINUED ON PAGE 24)

Strong Talent Provided for N. A. L. U. Rally

**Registration Passes 2,000
Mark—Election Zero Hour
at Hand**

One of the greatest sessions ever staged at a convention of the National Association of Life Underwriters was that Thursday morning at Cincinnati. It included stirring presentations by two life company presidents, a strong elucidation of economic problems by a professor of finance, and a rapid fire string of actual approach techniques employed by nine members of the Million Dollar Round Table. The meeting was held in the Taft Auditorium with John A. Witherspoon, John Hancock, Nashville, national vice-president, presiding.

The life company presidents were Lewis W. Douglas of Mutual Life and A. J. McAndless of Lincoln National. The professor was Dr. Marcus Nadler of New York University graduate school of business administration.

Mr. McAndless and Dr. Nadler were the speakers at the American College Hour, over which Julian S. Myrick, Mutual Life, New York, chairman of the American College, presided.

Registration Exceeds 2,000

Registration at the convention passed the 2,000 mark about Wednesday noon and the local hosts were greatly pleased, as they had set their hearts on a 2,000 meeting. About 600 registrations were taken Wednesday morning.

A large part of the convention group departed from the morning session with an afternoon and evening of fun ahead of them, but those who are closely following association affairs will go to the national council meeting at which the election will take place and the choice will be made of the convention city for 1942.

The crowd had a choice of entertainment for Thursday afternoon—baseball, golf or sightseeing. Judging from the number of fans among the group, the largest number will be seen at the ball park.

Late in the afternoon the group will journey across the river to Beverly Hills Country Club for dinner and then will return for an evening of festivities that will feature basketball games on don-

(CONTINUED ON PAGE 40)

between Grant Taggart and Herbert Hedges for secretary and even of the year before between Harry Wright and John Witherspoon. Some strange divisions have occurred as a consequence.

One of the interesting situations is the fact that there are two candidates for trustee from Oklahoma—E. L. Allison and Tom B. Reed. This has developed an unusual interest in association affairs in Oklahoma with the result that a state association may be formed there.

Nominators to See Their Slate Gets Hearing

If there are any nominations from the floor at the national council meeting Thursday afternoon, following the report of the nominating committee, it is understood that the committee will take steps to prevent the floor nominees from being more prominently brought to the attention of the council than are those on the committee slate. At Philadelphia speeches were made in behalf of those nominated from the floor, whereas nothing was said in behalf of those on the regular slate. Some felt that the floor nominees thus enjoyed a distinct advantage. The nominating committee may permit at Cincinnati some oratory in favor of those that it has chosen, if there are nominations from the floor.

There is some lobby discussion heard in opposition to the practice of electing an N. A. L. U. president three years in advance. It has come about that a system of progression has become fairly well accepted, from secretary, to vice-president, to president, and hence the great interest is in the election of a secretary. Some leaders feel that it is a mistake to cast the die so far ahead of time. As a matter of fact, one of the main purposes a few years ago in revising the constitution and by-laws was to get away from a system of progression under which there were a president, vice-president, first vice-president, and second, third and fourth vice-presidents.

On Monday and Tuesday some of the Ohio leaders who are great N. A. L. U. politicians started to engineer a contest for vice-president, in an endeavor to challenge the tradition of progression in office, but the man that they were seeking to have enter the race declined to do so.

In the political contests this year are some leftovers of last year's contest

Positive Action Needed To Check Inflation Tendencies

Life agents, as the principal contact between insurance companies and the millions of policyholders, are in position to render effective aid in fighting the menacing forces of inflation, Marcus Nadler, professor of finance, New York University, and consultant economist of Central Hanover Bank and Trust Co., New York, declared during the American College Hour. Mr. Nadler presented an analysis of the forces favoring and against inflation and the effects of inflation on life insurance.

If the government takes the necessary precautions against inflation there is every reason to believe that the danger can be eliminated, he declared. "The economic forces working against inflation are at least as strong as those working for inflation. In spite of the fact that every war in the past has been accompanied by a sharp rise in commodity prices, and that the dislocation of industry and trade is bound to grow, one may state definitely that inflation in the U. S. can be avoided." However, he warned that corrective action is imperative as inflation would not only uproot the foundations on which the American way of life rests but would also make the post-war reconstruction so much more difficult.

Greatest Economic Disaster

"Inflation does not mean merely a sharp rise in commodity prices; it is probably the greatest economic disaster that can befall any nation. It wipes out the savings of the middle class, the backbone of every country, and when the middle class is wiped out a country is ripe for great economic and social upheavals. Fighting inflation therefore means fighting for the American way of life, for freedom of the individual against the all-embracing powers of the state, for freedom of worship, and for freedom of speech. Life underwriters are in a position to fight the forces of inflation that are menacing the institutions of this country. The specific duty which falls upon them at the present time is to stimulate the savings of the people, to educate them to the danger of inflation and how it can be eliminated.

"Perhaps no other single group of people is more vitally interested in the question of inflation than holders of life insurance policies. Life insurance companies are the greatest savings institutions of the nation and they collect the savings of rich and poor alike. Life insurance policyholders and beneficiaries are the largest single creditor group in the U. S. As such, they are vitally interested in the purchasing power of the currency which they receive. They are not so much concerned as to how many grains of gold there are in one dollar as rather how much in the way of commodities and services their dollar will buy.

Raises Inflation Fear

"The recent increase in prices of commodities in the U. S. and throughout the world has again raised the fear of inflation and caused considerable concern to policyholders; rightfully so, because if prices should continue to rise rapidly in the future the purchasing power of the dollar would be materially reduced. The danger at present lies in confusing a moderate increase in commodity prices with inflation. During the last decade the people in the U. S. have been accustomed to exceedingly low commodity prices, a price level which could not last indefinitely without adverse effects on the entire national economy of the country. In some respects, the recent increase in commodity prices was justified and may be considered, generally speaking, as wholesome in character. Even after the rather sharp increase in recent months the index of wholesale prices prepared by the bureau of labor statistics is below the level of 1926. At that time nobody feared inflation. The question is whether commodity prices will be stabilized at approximately the present level or whether a sharp increase is pending."

In considering the meaning of inflation, Mr. Nadler pointed out many writers make the problem too complicated by approach-

ing it primarily from the monetary angle. Inflation in its simplest terms means a general and sharp rise in the level of commodity prices within a relatively short period of time. Since the domestic value of money is expressed in terms of prices of goods and services, an increase in commodity prices corresponds to a decrease in the purchasing power of the currency.

Of the forces working for inflation, the most important is the increase in the production of war materials accompanied by a sharp increase in the national income and purchasing power of the people. The output of war materials and the construction of factories to produce them create employment at high wages, but the commodities are not available for consumption. Since the demand for war materials is very great, it is necessary to curtail the production of other commodities particularly those classified as durable consumers' goods which come in direct competition with war materials. The prime force of inflation, therefore, arises out of the fact that while on the one hand the demand for commodities is increasing, the supply available for consumption is bound to decrease.

The sharp increase in the demand for commodities is stimulated by the marked gain in national income which during July, 1941, was at the rate of \$86,000,000,000 compared to 75.7 billion in 1940, 71.0 billion in 1939, and 66.6 billion in 1938. The total number of people employed in non-agricultural pursuits at the present time is 4.8 million larger than at the end of 1938, and a further increase of several million is to be expected. Average hourly earnings in manufacturing industries have risen from 64 cents in June, 1938, to 72 cents in May, 1941.

The other group of forces working for inflation centers in the large deficit of the government, financed in part by the sale of treasury obligations to the banks; the large volume of bank deposits, the huge amount of excess reserve balances and the tremendous volume of deposits.

"In addition to these forces which accompany every war and large rearmament program, however, another danger favoring inflation has manifested itself in the United States. This phenomenon consists primarily in the selfish attitude which a number of people and particularly leaders of certain groups have adopted toward the emergency.

Seek To Further Aims

"The most important groups which have adopted this attitude are certain labor and farm leaders. These labor leaders have adopted the view that the present time is the most suitable to further the aims of organized labor and their purpose is to obtain the most from the present emergency. They have not hesitated to call strikes in vital national defense industries and their demands for high wages are insatiable. If their demands for the constant increase in wages are met, there is a serious danger that a spiral between wages and commodity prices may develop which

(CONTINUED ON PAGE 38)



At breakfast session of Million Dollar Round Table—W. O. Cord, Fidelity Mutual, Dayton; O. H. G. Feldman, Aetna Life, Pittsburgh; Charles C. Dibble, and E. M. Klein, both of Northwestern Mutual, Cleveland.

Nominator



LEE WANDLING

Lee Wandling, Equitable Society, Wichita, Kan., chairman of the nominating committee, had as usual a difficult task in selecting the slate to be submitted to the national council.

Code of Guiding Principles for Managers Section

A code of guiding principles was adopted at the dinner meeting of the general agents and managers section Tuesday night. The meeting was conducted by the Life Insurance Managers Association of Los Angeles, with R. L. Hoghe, Equitable Life of Iowa, secretary-treasurer of the association, presiding. Los Angeles conducted the meeting by virtue of winning the cup offered by Manager's Magazine for the largest percentage increase in membership. Mr. Hoghe was introduced by W. H. Andrews, Jr., Jefferson Standard, Greensboro, section chairman.

The code pledges allegiance to the following eight guiding principles: To select qualified field representatives; to make no contracts with persons in urban centers who do not intend to devote full time to life insurance and no contracts with persons in rural areas who do not intend to devote an appreciable part of their time to life insurance; to make no contract with an agent of another company without first communicating with the supervising office of the company in question; to provide adequate training and supervision, using the best available methods and materials so that apprentice agents will be able to render good service and achieve financial success at the earliest possible moment; to encourage agents to continue their educational de-

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Recruiting, Training Financing Problems Supervisors' Topics

Eric G. Johnson, Penn Mutual, Is Featured Speaker; Forum Discussion

Problems of the agency supervisor under the headings of recruiting, education and financing were discussed at a meeting of the supervisors section at which the featured speaker was Eric G. Johnson, vice-president of the Penn Mutual. Mr. Johnson was buttressed by a group of experts consisting of William Rothaermel, agency vice-president, Pacific Mutual; F. C. Wigginton, agency manager Bankers Life of Iowa, Pittsburgh; R. R. Stotz, general agent Mutual Benefit, Grand Rapids, Mich. M. J. Hamilton, Mutual Benefit, Cincinnati, was chairman.

Mr. Johnson declared that a supervisor's job, like a woman's, is never done. At times, he said, the supervisor's job is tougher than the general agent's. The past three, four, or five years there has been much talk about the great difficulty of recruiting men. Asking whether that job is actually any more difficult at the present time than it has been in the past, Mr. Johnson attributed the difficulties to a lack of organized recruiting activity. He stated that he found here and there a magnificent job being done and that this is the basic solution to the problem of recruiting difficulties.

Johnson Agency's Experience

In the Johnson agency at Pittsburgh last year, of 266 agency prospects, 16 were actually placed in training, and 11 completed the training. At the end of the year, nine of the original group emerged with \$365,000 production. This year they have combined quotas of \$880,000. The plus in agency production, Mr. Johnson declared, comes from new men such as these.

There is a constant replacement problem, Mr. Johnson pointed out, and this problem is really no different than it has always been. The chief job of the supervisor, he said, is to keep the men in his charge from becoming confused. Accomplishments of the men, he stated, are reflected by the supervisor's own attitude.

A survey should be made in every agency to present facts to the men. In the Johnson agency a study of a large number of objections showed that 25 prospects refused because of conscription, two each for inflation and increasing taxation, and 261 "couldn't afford it," the last, Mr. Johnson stated, having a familiar sound.

The supervisor's thought today, he said, is the result of his most recent experience. It should be kept in mind that there is a vast field of prospects among the men who today roll up their sleeves and work with their hands. The industrial agent, he said, is fortunate in this respect because they are the people with whom he has been in constant contact.

Concluding, Mr. Johnson said that there is need for greater light and less heat from the short circuits in mental attitude. Success is an epitaph. Progress is the thing desired. If a supervisor can build men, progress will come.

Daily reports were virtually demanded in his agency, Mr. Johnson declared. Analysis of the reports are made quarterly.

Following Mr. Johnson's remarks, the meeting was thrown open for general discussion. The following comments were made in answer to questions:

Mr. Wigginton: Practice is to get new men in early production. Learning of a simple organized presentation is (CONTINUED ON PAGE 32)

Adjustments to Meet Low Interest Rates Predicted by McAndless

A comprehensive and realistic picture of the interest rate situation was presented before the American College hour by A. J. McAndless, president Lincoln National Life, in which he came forth in favor of life companies being permitted to make limited investments in stocks. He predicted that life companies will gradually come to the use of lower interest assumptions for their reserves and for funds left in their hands for the benefit of beneficiaries, as a result of the general reduction of nominal rates of interest. The situation has come about because of the copious supply of funds available for lending and because the government by intrusions into the field of private enterprise has taken over the part of the risk bearing element which formerly existed in market rates of interest. "Undoubtedly this is a permanent change in our economy," he pointed out.

Defense Program Will Not Help

The emergency defense finance program is not going to have a favorable effect on long term interest rates, Mr. McAndless said, pointing to the experience in Great Britain and Canada as evidence for his conclusion. The only hope of regaining and recouping some of the risk bearing element which has been lost to the life companies because of the intrusion of the government into the field of private financing is to change the law to permit the investment of a limited percentage of funds in the shares of established and successful enterprises.

In enlarging on this latter point, which is embodied in the recommendations of the TNEC, Mr. McAndless said that the recommendation seems out of line with the avowed objective of the TNEC to investigate the country's economic life which had a propensity towards concentrating economic power in a few hands. The recommendations might ultimately lead to life companies controlling many industrial enterprises. There is some question as to whether this is good social policy and it has generally been frowned upon as out of tune with democracy in finance. Despite this objection, it should be recognized that the present laws governing the investment of life insurance funds were enacted when there was a copious supply of bonds and mortgages for purchase by life companies. It is axiomatic that the savings of the people should be invested for productive purposes. The present day trend of industry is to avoid fixed income bearing and fixed maturity obligations. This precludes life companies from playing a role in some of the most productive and successful enterprises, such as the chemical, motor, electrical goods and the food distributing industries.

Should Be Allowed to Diversify

Such industries, Mr. McAndless pointed out, have no debt and if life companies are to invest in them at all they must do so by holding their shares. "It would seem, therefore, that life companies should be allowed to diversify and have a cross section of investments in all lines of successful, established and productive enterprises, and for that reason, subject to very definite limitations, we should be allowed to have a percentage of our portfolios in stocks."

The effect of such a change would be to permit life companies to get back some of the risk bearing element which formerly existed in interest returns and which is being squeezed out because of the intrusion of the government into the field formerly dominated by private finance.

Mr. McAndless defined interest as the price for the services of capital or the price paid for the right to use the funds

which are available for lending in the market place at any given time. As life companies are interested in investing funds on a long term investment, the interest rate from their standpoint is the long term rate.

There are two factors in the ordinary rate of interest quoted in the market,

our own problem resulted from government policy. The major factor in the situation was the movement of gold to this country," he remarked.

Economists have generally agreed that the demand side of the capital market is the more potent factor in raising the level of interest rates. They have shown

tend to hold the interest up, Mr. McAndless pointed out. For example, the last census shows only small increase in U. S. population and indicates that the population may become stationary within a few decades. Thus the demand for capital created by increase in population will be curtailed.

Decrease Demand for Goods

"When we think of increased demands for durable goods filtering down into the lower third of the population, we must not overlook the fact that the rigidity introduced into commodity prices by floors under wages and by monopolistic tendencies, tends to hold up prices, and hence to decrease the demand of these lower income groups for durable goods. In other words, because of a lower true wage the lower income group will not be able to buy additional durable goods which create a demand for long term borrowing," Mr. McAndless declared.

It is also necessary to recognize the fact that the ideal world market no longer exists, Mr. McAndless said. Because of the hazards involved, capital does not flow across international boundaries and seek profitable employment in foreign countries as it once did due to the instability of the government which exists in these areas. It is doubtful, in view of present world conditions, if there will be a return to free flow of international capital within the next generation. "And so, these factors, operating on the demand side of the market, which have been heralded as indicating that interest rates will not go to low levels and remain there permanently, seem to me more or less impotent today."

Save Despite Interest

In considering the supply side of the situation, Mr. McAndless pointed out that economists say that the rate of interest has very little to do with the total supply of capital. It is conceivable that people will save even if there is no interest at all. In fact, there has been a tendency for institutions to buy securities at negative rates of interest just because they thought at some time in the future they would have an opportunity to realize a higher rate. It may

(CONTINUED ON PAGE 20)

YIELD ON BONDS AND MORTGAGES (IN %)

	SWEDEN	GREAT BRITAIN	GERMANY	HOLLAND	BELGIUM	FRANCE	SWITZ'D	U.S.A.
A - GOVT LOANS	2½+	35+	4½+ 4½+	3.0+	4.5+	5½+ 4.0+	3.2+	2.5+
B - MUNICIPAL LOANS	2.6+	35+	4½+ 4½+	3.0+	5½+	6.5+	3.2+	2.8+
C - MORTGAGES	3.0+	4½+	5.0+	4.0+ 3½+	5½+ 5+	6.3+	3½+	

Chart I

Mr. McAndless explained. One is the pure or riskless rate of interest and the other is a risk premium to cover the hazard that the borrower is untrustworthy or that the principal will not be returned intact. The nearest approach to a riskless rate of interest today is that which prevails on long term United States government bonds which is in the neighborhood of 2 percent on a bond maturing in 24 years. On mortgage loans, however, the interest rate also includes a charge to cover the hazard that the borrower will be untrustworthy or that there will be some expense or inconvenience in collecting and getting the principal back. This hazard premium sometimes fluctuates very widely and so influences the rate charged for the use of capital.

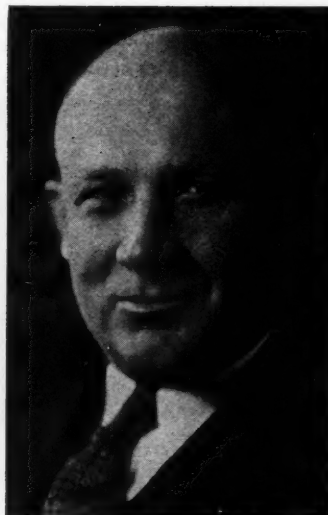
Influence of Risk Element

To show the influence of the risk element in interest rates, Mr. McAndless presented Chart I showing the interest rates prevailing in various countries in January, 1939. Low rates of interest prevailed in the United States, Sweden and Holland. The latter two countries escaped in the first world war conflict and there was a general feeling that if there was another war they would not be involved. Capital from all over Europe sought haven in these particular areas and rates of interest fell to exceedingly low levels as a result. In fact, the Swedish life companies reduced their technical interest in their reserve basis to 2½ percent from 3½ percent. Mr. McAndless pointed to France as a good illustration of the risk element. Governments there had been very unstable and the attitude of labor had caused French capital to seek haven abroad, and hence interest rates were much above the level of any other market in Europe.

The chart demonstrates that where governments were stable and secure, interest rates were at exceedingly low levels with a surplus of lendable funds available. "This refutes the view that

how population with increased wants and increased standards of living can use more and more of the productive services furnished by capital. They have shown as the standard of living is raised, that these wants filter down in the lower income groups and create demands for capital. These wants also spread out into the less civilized parts of the world and create demand for capital there. However, in their enthusiasm for the ideal market conditions, economists appear to have neglected to take into consideration barriers in national and international economy which work in opposite direction to these forces which

Company Presidents Thursday Speakers



A. J. McANDLESS
President Lincoln National Life



LEWIS W. DOUGLAS
President Mutual Life

Prospects Reclassify Ideas to Their Own Viewpoint

Prospects reclassify everything an agent tells them in light of their own viewpoints, Paul W. Cook, Mutual Benefit Life general agent, Chicago, pointed out in discussing the presentation of constructive ideas that sell before the Million Dollar Round Table. "If any so-called constructive idea happens to 'gee' with one of his already vaguely felt but unclassified problems, we are likely to make a sale. Our ideas are merely the skeletons upon which a man hangs his own personal and emotional responses."

It is up to the agent to be conscious that there is a lot going on in the prospect's mind and to try to find out as soon as possible which constructive idea is going to find an answering response in terms of the prospect's own situation. The agent must be like a doctor who feels around and says, "does it hurt here" and "does it hurt there," and when he locates the hurt he works on that place. Sometimes it takes a fluoroscope before he discovers it but he keeps probing until he does.

"Can I Use It or Not?"

"From my viewpoint" is the most important phrase to come from a prospect, for whether a prospect admits it or not, he is considering everything the agent says from his viewpoint. He asks himself: "Can I use it or not? Can it possibly affect me, or not?"

"If a prospect says to me, 'From my viewpoint this seems true,' that is a very significant phrase, because I know until he translates my ideas into his viewpoint, we will get nowhere," he explained.

Mr. Cook described several cases to illustrate his point that prospects are motivated by their own ideas stimulated by the agent's presentation. Mr. Cook tried to sell a manufacturer business insurance on the basis that he was a very valuable man to his company. Instead the prospect bought substantial personal insurance. "A year or two later, as I thought that personal insurance must be the greatest motivation in his insurance buying actions, I attempted to sell him more personal insurance but he then bought a substantial amount of business insurance."

Finds Out Reasons

"Several years later, after we became more intimately acquainted, in one of his unguarded moments I learned that he was involved personally at the beginning of our acquaintance more than I had known and more than he had admitted. Later, having taken care of his personal situation and of his family, he bought the business insurance to take care of his brain-child. I now know a different man, of course, than the man that I thought I did when I first sold him. He was constantly reclassifying what I was saying from his viewpoint, and my ideas

being actually constructive, allowed him to buy insurance in a different way which fitted in with his viewpoint but which was not in accordance with my sales presentation."

Sells Good Will Idea

Mr. Cook sold a \$75,000 case this year on what to an insurance man would be a very constructive idea. He suggested that the good will value of the prospect's business could be covered by life insurance, probably without increasing the value of his taxable estate, if the business paid for and owned the insurance.

"Inasmuch as the good will of this business will be valued as much as, and probably more than, the actual book value, life insurance can be carried by the business in favor of the business, without increasing the taxable value of the business at the death of the insured, on the theory that his loss is more than the face of the insurance carried," Mr. Cook explained. "So if he has a business with \$100,000 book value and which would have a taxable value at his death of \$200,000, it would be possible to carry \$100,000, which would go to his family free and clear of federal estate taxes. You will appreciate, and I told him so, that this may create some income tax problems after the death of the insured and when the stock is sold, as the insurance proceeds would probably increase the taxable profit to the person who sold it; however, if he leaves the stock to his family, and if the stock is not going to be sold, this tax is also only an incipient one, and is only realized when and if the stock is sold, which can generally be done, of course, at the most favorable time to the heirs."

Great Tax Advantages

"Also, during his lifetime, I pointed out, this has great income tax advantages because as the insured, he can pay his life insurance premiums with a 24 percent corporation tax rather than having to take the money out of his business and pay both the corporation income tax and a personal income tax on it."

"When we were all through and I could see that I was clicking, this man said to me: '\$75,000 more—that brings me up to \$300,000 of life insurance, doesn't it? I guess there aren't many fellows around town who started with nothing and have \$300,000 of life insurance!' I had given him a logical reason for him to justify the feeling of accomplishment and superiority which the additional life insurance supplied."

Mr. Cook then pointed out four ways to arrange tax deductions that allow the government to pay a large percentage of the cost of life insurance: (1) Turning premium payments into interest pay-

(CONTINUED ON PAGE 41)

Mutual Life Shows New Face

President L. W. Douglas was the chief guest at the dinner given Wednesday night by the Cincinnati branch to Mutual Life representatives attending the meeting. Other home office men present were George A. Patton, vice-president and manager of agencies; G. A. Sattlem, superintendent of agencies; J. Roger Hull, his assistant, and Roger Borland, supervisor of the premium budget department. Alexander Patterson, past president of the N. A. L. U. and now vice-president of the Mutual, was another home office guest.

Others invited were the trustees and past presidents of the N. A. L. U., as well as all the Mutual Life representatives at the convention. The dinner was in the Hall of Mirrors of the Netherland Plaza.

It was a smart meeting for selling Mutual Life. Invitations suggested "black tie," but silk hats were out the window, apparently for this generation. As guests entered the dining room they could observe a gentleman with less hair than his pictures claim. He had a list of tables in his hand. If the visitors hesitated he offered, "I'll find you a seat." If they introduced themselves and asked his name he answered "Douglas."

There was no speakers' table, but a microphone stood at the foot of the steps leading to the stage. At about the right time the gentleman who gave his name as Douglas stepped to the microphone and got attention. After some friendly and rather frank kidding he introduced Mr. Patterson, then John A. Stephenson, president of the Penn Mutual Life, and Mr. Patton. Each spoke about a minute and a half. The audience was sold on Mr. Douglas.

Rutherford and Bray Share Wednesday Honors

The general opinion is that the stars of the Wednesday sessions were James E. Rutherford, Penn Mutual, Seattle, and Francis G. Bray, New England Mutual, Houston.

Mr. Rutherford captivated the crowd in the morning at the Taft Auditorium with his earnest, homespun, shoes off and at times evangelistic notions on how to sell life insurance. It is the kind of talk that is always a hit at any life insurance meeting at any time anywhere. Reduced to writing it may sound like old stuff to the seasoned campaigners but it is as fresh as the gospel in the flesh.

Mr. Bray brought down the house despite handicaps. He was addressing probably 1,200 persons seated in a dog leg meeting room on the roof of the Gibson in sweltering heat. About one-third of the crowd couldn't see him. But he gave a great fighting message that stirred the audience deeply.

"Put On Rousing Act," Is Advice of Rutherford

James E. Rutherford, Penn Mutual, Seattle, one of the national trustees, made one of the smash hits of the convention in his talk closing the morning session Wednesday. The crowd was in the mood for such a life insurance selling talk as Mr. Rutherford gave, as they had just listened to some pretty heavy and solemn talk from A. W. Hawkes, president of the U. S. Chamber of Commerce.

Mr. Rutherford speaks in homespun fashion. He utilizes a number of properties such as bells with which to dramatize his points. One of his great stunts is to remove his shoes, stuff them with bills, toss them on the prospect's desk and inquire how his wife could fill those shoes should the prospect die. Mr. Rutherford hastens to explain that he does not actually perform in this way before a prospect, but he does show the prospect a picture of the same situation that appeared in the "Estate-O-Graph" of the Rough Notes Company. Mr. Rutherford's capital advice to the salesman is to fix the prospect's problems and needs and then strive to have those problems shifted from the prospect's shoulders to a life insurance company. The problem exists for every man, but it is not fixed in his mind. If it were fixed, Mr. Rutherford declared, there would be no place for insurance agents, because the people would line up at the underwriting cages to buy. It is the job of the agent to fix the problems.

In order to "fix the problem" the speaker said the agent must make the prospect burn up and "sizzle." The heat can be applied by means of pictures and stories. Above all there must be heavy application of sentiment. Paraphrasing, he advised: "Weep some more, my agents."

"Put on the rousing act," he urged. Mr. Rutherford gave these suggestions for motivation appeal:

"The only difference between an elderly woman and an old woman is a matter of money."

"When you get up to age 65, will you go to your grandchildren with presents in your pockets or apology on your lips?"

"Every hand at age 65 will be cupped up to receive or cupped down to give."

Mr. Rutherford advised agents to buy insurance to the hilt, so that they can talk with conviction. They should refer to their own programs in selling. Mr. Rutherford keeps his own policies in his desk rather than in a deposit box and he gets much satisfaction from looking at them.

Midland Mutual Luncheon

Midland Mutual Life of Columbus held a luncheon for its representatives in the Sinton hotel Thursday. The home office was represented by J. A. Hawkins, agency vice-president; R. S. Moore, director of field service, and H. W. Kraft, advertising manager.



Head table scenes at Million Dollar Round Table breakfast—Holgar J. Johnson, president Institute of Life Insurance; H. Kennedy Nickell, Connecticut General, Chicago, retiring chairman (with glass to mouth); Paul F. Clark, vice-president John Hancock Mutual;



George E. Lackey, Massachusetts Mutual, Detroit; Sis Hoffman, Union Central, Cincinnati; R. G. Lawrence, Texas Prudential, Oklahoma City; R. H. S. Brillante, Occidental Life, Honolulu; T. M. Riehl, Equitable Society, New York.



A Pension Plan that Grows with Your Business

TOTAL insurance in force is the true success measure of any field man's life insurance career. The Lincoln National Life agent's Retirement Plan recognizes this fact. As the LNL field man's personal business in force grows, his Retirement Income keeps pace. Even modest producers of quality business build financial security under the plan.

For example, a man who enters the plan at age 35 can have a Retirement Income of \$97.28 a month at age 65 if his insurance in force increases at the rate of only \$50,000 a year.



THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE • • • INDIANA
GEARED TO HELP ITS FIELD MEN

Tax Savings Appeal to Widows Outlined By Mrs. Sis Hoffman

A clever approach aimed at wealthy women in which she animated a tax savings proposal by suggesting that Secretary of the Treasury Morgenthau himself was presenting the plan, was outlined before the Million Dollar Round Table hour by Mrs. Sis Hoffman, Union Central Life, Cincinnati, only woman round table qualifier. Helen Summy, Equitable Society, St. Joseph, Mo., assumed the part of the wealthy widow on whom Mrs. Hoffman was calling. The dialogue proceeded as follows:

Mrs. Hoffman: Good morning, Mrs. Prospect, I am Sis Hoffman from the Union Central. Thank you so much for arranging for our appointment this morning.

Prospect: Well, I am glad to see you, Mrs. Hoffman, but as I told you over the phone, I'm positive you're wasting your time in coming to see me because life insurance is something I've never liked, in fact, I know nothing at all about it.

Mrs. Hoffman: It's a very odd thing, Mrs. Prospect, but you know nearly every woman for whom I've arranged a life insurance trust has said almost exactly that same thing when we had our first little discussion. And through years of experience I have discovered that the reason back of it all is just what you said; women know so little about life insurance and I guess we agents have made it seem very complicated when really it's the simplest and most useful kind of property that a person can own.

Prospect: Well it certainly never seems simple to me and anyway I just don't like the idea of someone having to die before anyone gets anything. The whole idea is repulsive to me.

Talk About Family

Mrs. Hoffman: Well, that's certainly understandable, so suppose in our little discussion this morning we forget that there is such a thing as life insurance and just talk about your own plans for yourself and for your family. That's always the most interesting subject anyway, isn't it?

Prospect: Yes, of course, we're all interested in our own families.

Mrs. Hoffman: I know that your husband, through hard work and excellent judgment, created a marvelous estate for you and your children. I've been told that he was a splendid business man.

Prospect: He certainly was. He was a wonderful business man but I remember him saying that he never believed very much in life insurance.

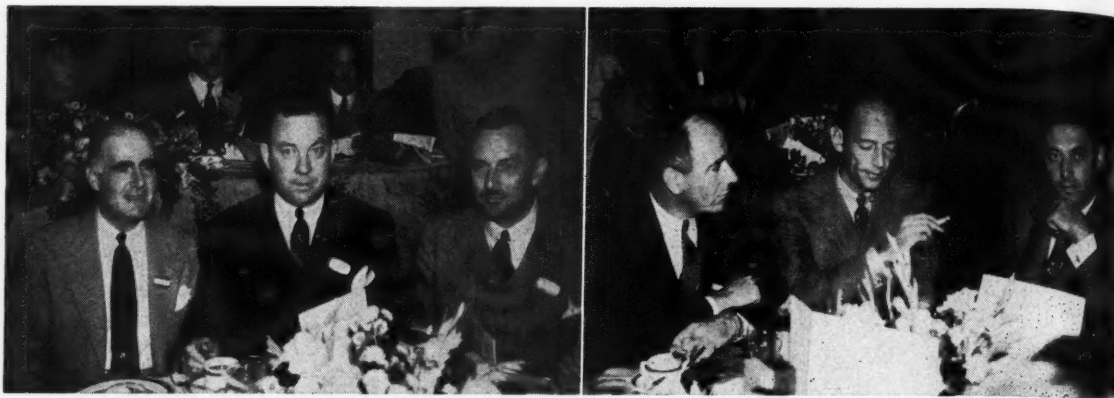
Mrs. Hoffman: It's easy to account for that because there are so very many reasons nowadays why life insurance is essential and most of these reasons did not exist, even a few short years ago. I suppose, of course, your one big ambition, Mrs. Prospect, is to protect the estate which your husband created, and pass it on to your three children in as good a condition and in as large an amount as it came to you.

Interested In Adding To Estate

Prospect: Yes, I certainly want to do that and I'd like to add something to it if I can.

Mrs. Hoffman: Naturally you would and I just imagine that like nearly every woman I've talked to, if you should investigate the matter and discover that life insurance would help you do this better than any other plan which you could find, you'd naturally be delighted to find that kind of assistance, wouldn't you?

Prospect: Yes, perhaps so, but I just can't imagine how life insurance would work for me and I still don't like the



At Million Dollar Round Table breakfast—H. G. Mosler, lieutenant commander U. S. N., Great Lakes Naval Training Station; John Mage, Northwestern Mutual Life, Los Angeles; Harold Parsons, Travelers, Los Angeles; H. W. Hays, Massachusetts Mutual, Rochester, N. Y.; S. Henry Foreman, Mutual Life, Chicago; M. M. Matusoff, Mutual Benefit, Cleveland.

idea that you have to, as the saying goes, "die to win."

Mrs. Hoffman: Well, in order to make the story very simple, suppose I ask you two or three questions which are pertinent to the situation. Suppose this afternoon your maid brought you an engraved calling card upon which appeared the name of Henry Morgenthau, Secretary of the Treasury of the United States. I presume, of course, you would see him, wouldn't you?

Prospect: Well, I suppose anyone would do that.

Enter Mr. Morgenthau

Mrs. Hoffman: Presume you have granted Mr. Morgenthau the interview and he said to you, "Mrs. Prospect, unfortunately the U. S. government finds it necessary to levy rather heavy taxes upon the estates of its wealthy citizens, but I have come to offer you a special arrangement for the handling of this tax in your particular case. In the first place, presuming your tax bill will be \$100,000, I am in a position to offer you a 25 per cent reduction in that tax bill." That alone would be interesting, wouldn't it, Mrs. Prospect?

Prospect: Yes, we women are always interested in bargains.

Mrs. Hoffman: Let's presume Mr. Morgenthau continues as follows: "In addition to giving you a 25 per cent reduction, we realize it would be a rather

(CONTINUED ON PAGE 39)

Buckley Shows How He Gets 15 Minute Interviews

One of the features of the Million Dollar Round Table Hour was the sales presentation by L. Mortimer Buckley, New England Mutual, Chicago, with Theodore Widing, Provident Mutual, Philadelphia, acting as his "stooge." Mr. Buckley has explained his effective "House of Buckley" sales approach before numerous state and local association meetings but his presentation at the session today was based on the idea of following up a mailing of his special folder and selling a "not interested" prospect on his service as a consultant.

The dialogue follows:
Buckley: Good morning, Mr. Widing, You no doubt will recall receiving a folder from me in the mail yesterday. It told you briefly who I am and what I do. I'd like to explain a little more fully the kind of work I do and how it might benefit you.

Not Interested in Any More

Widing: I received your folder and found it quite unique and different, but I'm really not interested in any more life insurance.

Buckley: Mr. Widing, I'm pleased that you liked my folder "The House of

Buckley," but really I'm not going to try very hard to interest you because, frankly, the factors that determine your interest are something over which I have no control. My work covers the field of what is sometimes called "Estate Planning." It is related to the life insurance business, although I'd like to emphasize that I am not here as an insurance salesman representing an insurance company. I am here because I have an idea or two which may be of great value to you. I am sure, if you were convinced that I had an idea you could use to great profit, you would want me to tell you about it, wouldn't you?

Widing: Well, yes, I guess so, but I have a man who is looking after my insurance.

Acts as Consultant

Buckley: I act as consultant to a group of business and professional men who are successful, or on their way to success, who look to me as a source of workable ideas they can use in laying out their financial plans for the future and in choosing the most effective means of attaining their objectives.

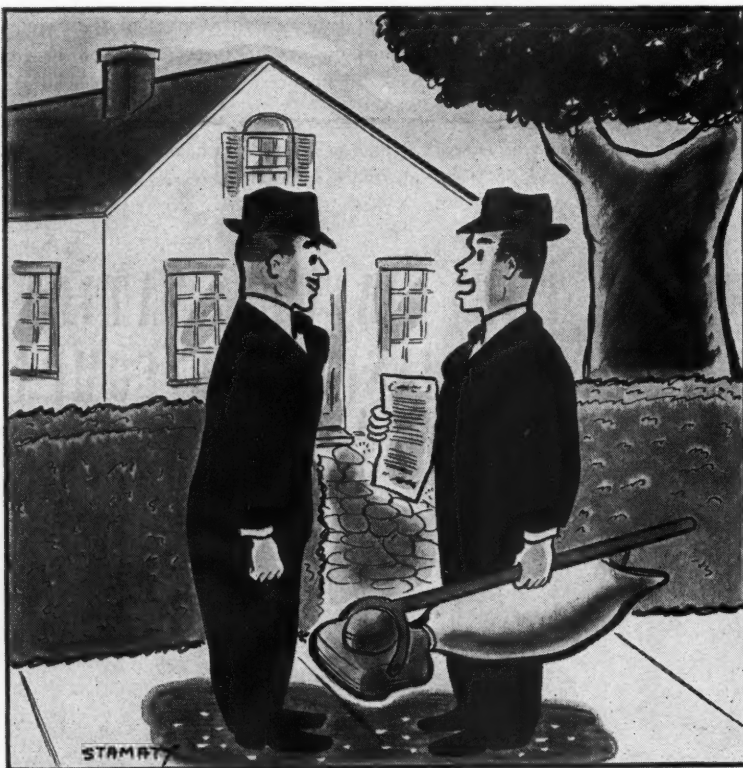
You see, Mr. Widing, in my work I talk with hundreds of men who tell me what they are trying to accomplish and the methods they are using. Later when one of my clients has a problem that relates to his insurance program, or the conservation and distribution of his property, or the minimizing of income or inheritance taxes, I am able to pass along constructive ideas which have been found successful. Thus, good ideas gathered from many sources give him a more effective means of solving his problem. I find no one objects to being told how he can save money, or avoid losses, or get a greater applied value from his property.

Shows Testimonial Letters

There is one question which is possibly in your mind at the moment. That is: "What experience has this man had in evaluating ideas and what judgment has he shown in applying them to specific cases?" Anticipating that question, I have with me several letters written by men who know of my work. (Hands book to Mr. Whitney.)

Widing: You certainly have some nice letters here. I see one or two of my friends like your work. But I feel I have all the insurance I need.

Buckley: Would you agree with this, Mr. Whitney? The realization of your hopes, your dreams, your aspirations, your ambitions for the future for yourself and your family are dependent primarily upon one thing—income. And the continuance of income is dependent upon if, a lot of ifs. If you live, if you keep your health, if business is good, if



"Sis Hoffman had a sweeper but she sold me a retirement policy."

(CONTINUED ON PAGE 34)



* We
Extend Greetings
to Members
of the N. A. L. U.
Assembled in
Convention
in Cincinnati

HOME DEFENSE GUARD

"Great emergencies call for great efforts."

Our forefathers exemplified the truth of this adage in their struggle to win their freedom from the tyranny of the past. Our political leaders today are calling for an "all out" effort to protect these liberties so hardly won. The response is enlisting the efforts of the flower of the Nation.

This is our way. What we cherish we will protect at all costs.

Our Homes are our dearest possessions, and Life Insurance is the essential protector of the Home, as proved by the 64,000,000 American policyholders. That is why such a stalwart force of Life Insurance representatives have enlisted themselves in this Home Protecting Service.

Today our Life Insurance Agent is:

EDUCATED in the handling of the tools of his profession.

SYMPATHETIC in his understanding of the problems of his client, and

PROFESSIONAL in his application of insurance to actual risks.

This great body of men are doing a grand job of protecting and thus promoting the American Home.

Kansas City
LIFE
INSURANCE COMPANY
KANSAS CITY
MISSOURI

Takes Advantage of Prospect's Broken Leg to Review Policies

A breezy sales approach in which he took advantage of a newspaper item about his prospect's misfortune in an automobile accident was staged by William T. Earls, Cincinnati general agent Connecticut Mutual Life, during the Million Dollar Round Table Hour. Mr. Earls's prospect was to have been A. E. Gillman, Northwestern Mutual, Cincinnati, but Mr. Gillman is hospitalized with a broken leg, and Marvin Sherman, Equitable Society, Los Angeles. The scene opened with Mr. Earls telephoning Mr. Sherman:

Earls: Is this the Sherman Artificial Leg Company? Mr. Sherman, please. Hello, Marve, this is Bill Earls speaking. I was awfully sorry to read in the newspaper about your tough luck in your accident when you were driving home from Cape Cod. How are you getting along? Well, it's pretty bad, but you're lucky something more serious didn't happen. I tell you, Marve, I want to come over and talk to you about a business matter. How are you set this morning?

Sherman: What do you want to do—sell me some retroactive accident insurance? I might be interested in some of that.

Earls: No, but I do want to talk to you about insurance, however, and we might call this retroactive death insurance.

Sherman: What do you mean by that?

Might Be of Assistance

Earls: I might mean insurance that was retroactive from your death, if you buy it now. Quite seriously, Marve, I never talked to you about my business before, but I have been thinking about you since hearing of the accident, and there is an item in connection with your present insurance that I would like to go into. The thought also occurs to me that perhaps I can be of some assistance in the filling out of any papers you might have to complete to collect your accident insurance. Do you mind if I hop right over? By the way, if you have your policies handy, get them out because we might want to check just what type of coverage you have in your accident insurance.

Mr. Earls enters Mr. Sherman's office:

Earls: Hello, Marve, glad to see you. I was talking with Charlie Zimmerman, your next door neighbor, the other day and we both decided that you were probably drunk on the way home from your vacation and that's why you had the accident. Tell me about it.

Sherman: You clown, you know I don't drink. The way it happened a fellow piled out of a side road without stopping and ran into my car. He wasn't going very fast, however, and hit me just at the rear wheel, turning me over. I got this busted leg out of it and while my wife was shaken up, bruised, the children weren't hurt, thank goodness.

Scare Makes One Think

Earls: That certainly was tough, Marve, and as a matter of fact that is the reason I came today. I know you don't think about death very often, but a scare like that must make you wonder about things and perhaps you even stopped long enough to wonder what might have happened to your life insurance if your accident had been more severe. The thing I'm thinking about is that suppose both you and your wife had been killed in that accident. I'm wondering to whom your present life insurance would be payable, assuming, of course, that it is now payable to your wife.

Sherman: It would be payable to my children, wouldn't it? They would be my next heirs.

Earls: It would be payable to them directly if the policies provide this. Do you have your children named as secondary beneficiaries?

Sherman: I'm sure that has been done. A fellow named Harry Wright, who is a neighbor of mine, has handled my insurance and I'm sure he has taken care of that.

Couldn't Pay Estate Costs

Earls: Harry Wright? Never heard of him. I guess he is with one of those small companies like the Metropolitan. It doesn't make any difference because that brings me to the very point I have been worrying about in connection with your insurance. If these policies, as you indicate, would be payable to your children, since your little boy and girl, as I recall, are both minors, this money would be payable to their guardian for them as direct beneficiaries, but it would not be possible for the guardian to use this money to pay the costs of settling your estate.

Sherman: What do you mean—not use this insurance to settle my estate? That is the main reason why I carry the insurance to make sure that this little gold mine, the wooden leg business, on which I lean so heavily, would not have to be sold to raise cash to settle my estate.

Earls: Taxes and administration costs of settling your estate are your obligations, not your children's. They inherit your net estate after your obligations have been paid. Their guardian could not use their life insurance money to pay your obligations and, therefore, the very purpose for which you carry the insurance would not be fulfilled.

Sherman: That is bad. I wonder why that tramp Wright never told me this. Come to think of it, however, I think he did mention this once that some of my insurance is payable to my wife and if she were not living at my death it would go to my estate. Wouldn't that cover the situation?

Earls: That would cover the situation, all right, but the insurance included in your estate would be subject to all costs of settling your estate which shrinkage in Ohio runs about 20 percent of the average estate. This is bound to be higher with the new revenue act increasing all taxes to higher brackets.

Sherman: What is there that I could do to straighten my policies so as to eliminate what seems to be an awful dilemma?

Earls: Really, Marve, I am not going to give you the answer to that question right now, because it is a rather complicated discussion. Get your policies out and I will check them over and make you a little summary of them, including your accident insurance benefits, and bring my summary and suggestions back to you in a few days. Incidentally, Marve, with this bad leg of yours you better keep away from the downtown hotels this week, because I understand there are a lot of wild men at some convention here in town and I don't think in your present weakened condition you would be safe. So long, see you in a couple of days.

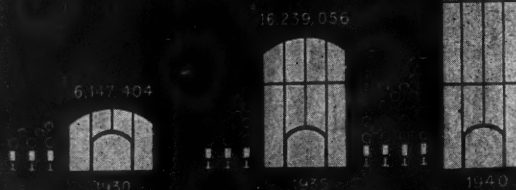
Chester Fischer Bereaved

Chester O. Fischer, vice-president of Massachusetts Mutual, who was to have attended the convention and to have made a report at the national council meeting on phases of the educational program, was called instead to St. Louis because of the death in Barnes Hospital there Saturday of his father, Charles O. Fischer. Funeral services were held in St. Louis Tuesday. Charles O. Fischer, who was 73 years of age, in recent years had been residing during the winter months with his daughter and son-in-law, John Dietz, at Gainesville, Fla. In years gone by he had been interested in insurance. He was quite active in Royal Arcanum and was also a representative in St. Louis of Massachusetts Mutual.

A Picture of Progress

INCOME SETTLEMENT SERVICE
EXPANDS

Reserve to meet Company's
obligations under optional
settlement agreements in force



Real progress is being made when more and more life insurance money is left with the Company to be distributed under an income settlement plan.

That policyowners and beneficiaries are aware of the value of The Connecticut Mutual's optional settlement service is evident from the chart which shows the tremendous increase in reserves to meet future payments under income contracts.

Connecticut
Mutual
Life Insurance Co.

95 years of
Dependable Performance

The Cleveland

*General Agents and Managers
shown here take this means
of extending sincere greetings
to the 52nd Annual Convention
of the National Association of
Life Underwriters gathered
in Cincinnati*



Greetings N.A.L.U. from Cleveland

... CITY OF CULTURE AND INDUSTRY

BANKS & TRANSUE, General Agents and Associates

THE PENN MUTUAL LIFE INSURANCE COMPANY

ESTABLISHED 1847

AT THE CROSSROADS OF COMMERCE SINCE 1875

SETH A. BARDWELL AND ASSOCIATES

AGENTS

THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY
1010 UNION COMMERCE BUILDING

TRUMAN H. CUMMINGS

GENERAL AGENT

NATIONAL LIFE INSURANCE
CO., MONTPELIER, VERMONT
1400 N. B. C. BUILDING
AGENCY ESTABLISHED IN 1869

RUSSELL P. THIERBACH, C.L.U.

GENERAL AGENT

THE NORTHWESTERN MUTUAL
LIFE INSURANCE CO. OF
MILWAUKEE, WIS.
925 N. B. C. BUILDING

W. ALLEN BEAM

GENERAL AGENT

STATE MUTUAL LIFE ASSURANCE COM-
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MANAGER OHIO DEPT.

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OF PITTSBURGH

8TH FLOOR SWETLAND BLDG. PHONE CHERRY 5830

E. CLARE WEBER

MANAGER

THE FIDELITY MUTUAL LIFE
INSURANCE CO.

1002 KEITH BLDG. PHONE CHERRY 5242

WALTER H. BROWN

MANAGER CLEVELAND ORDINARY AGENCY

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA
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Home Office, NEWARK, N. J.

WILLIAM J. SCHMIDT

GENERAL AGENT

THE OHIO NATIONAL LIFE
INSURANCE CO.

821 HANNA BLDG. PHONE CHERRY 6816

FREDERICK N. WINKLER, C.L.U.

GENERAL AGENT

THE MUTUAL BENEFIT LIFE
INSURANCE CO.

445 HANNA BUILDING

G. B. CHAPMAN

DONALD E. HANSON, C.L.U.

G. B. CHAPMAN & CO.

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Kelly Presents Estate Planning Approach

An instructive skit was staged at the Million Dollar Round Table Hour by I. Austin Kelly, III, Union Central Life, White Plains, N. Y., in which he showed how he interests his prospect in his estate planning service. The scene opened with the prospect, Mr. Johnson, reading a letter of introduction from a friend which his stenographer had brought in from Mr. Kelly who was waiting in the outside office. The letter asked Mr. Johnson to do the friend a favor by listening to what Mr. Kelly had to say.

Mr. Johnson instructs his secretary to show Kelly in with the warning: "I haven't the faintest idea of what he wants. If he stays too long, see that he gets out, but I guess I'll have to do this favor for Jim, and hear what he has to say."

Mr. Kelly Enters

Mr. Kelly enters and the following conversation took place:

IAK: Thank you very much, Mr. Johnson, for seeing me for a few moments. I will tell Mr. Turner, and I know he will be pleased to learn that I have spoken to you. I want to tell you, very quickly, the type of work I am doing, and then, if you find that it is of interest to you, we can make another appointment, and go more into detail. My work is estate planning.

Mr. J: Oh, yes—that's just another wrinkle to sell some life insurance. We had another man in here the other day, with a calling card which said estate planning, and all he was, was a life insurance salesman.

IAK: No, Mr. Johnson, my work goes a great deal further than that, and if you will just let me tell you very quickly just what I am doing, you can see for yourself.

Three Phases of Work

My work is divided into three phases: first, I figure out, if anything happens to you, what the federal estate, state inheritance, executor's fees, attorney's fees, and all the probate costs will be. Then, I suggest methods whereby these can be legitimately reduced. Next, I examine your estate to see if there are liquid funds to pay these transfer costs, so that there will not be forced liquidation on the part of your executor. The second part consists of making recommendations, in case anything should happen to you, as to how this business can be best carried on to benefit your family; and the third part is to make an analysis of your life insurance estate. Too, I review your will, to see that it ties in with your so-called "three estates."

I have with me, here, a sample report, showing exactly how I handle this situation. You can see from this report, that these are his transfer costs (examination

of report, at this point), these are suggestions for reducing them, and these are the problems to be faced by the executor, in meeting them. On this page, you will see suggestions for carrying on this business, and at the end, the report on his will.

Separate Insurance Report

Mr. J: Yes, but you haven't said anything about life insurance in this report.

IAK: That's in a separate report. We make a complete analysis of your policies.

Mr. J: Oh, I know—an audit. I've got one of those books here, with my name all engraved in gold. I don't think I'll need that.

IAK: You will notice here, Mr. Johnson, that this work sheet is not like a regular audit work sheet (demonstration of work sheet), but the heart of this whole page is the section where it shows the "Six Valuable Clauses." I not only report on the other interesting facts of your policies, but I find out whether you have all the clauses to which you are entitled.

Mr. J: Now, just a minute. Where do you come off at?

Works On Four Bases

IAK: I work on one of four bases. The first is that I get 6 cents of every dollar I save you, either in inheritance, or income taxes, and give you back 94 cents of that dollar. Or, secondly, if life insurance is purchased through the recommendation of our report, I am paid by the life insurance company, which, in a sense, doesn't cost you anything. Thirdly, if a preliminary report is made, and more work is necessary, I will charge you on the basis of \$10 an hour, in giving you a set figure. Or, fourthly, in your position, I will do this work for nothing.

Now, anyone coming in here, saying he will do something for nothing, makes you feel that it will probably cost you a great deal more than if you had paid him in the beginning, but where I come off at, here, is that, if you are satisfied when I have finished—because up to now all I've done is a lot of talking; talk is cheap and anyone can do it—but if you are satisfied with my work, you will give me, say, 15 letters of recommendation, and if you will be as conscientious in this, as I have tried to be in this report, it will be much more profitable for me to work on this basis than on any fee basis. Eight years of experience has taught me this.

Mr. J: That's all very interesting, but I'd like you to see my attorney and go over it with him.

IAK: I'd be very glad to see your attorney. As a matter of fact, I insist that he approves of any of the steps

(CONTINUED ON PAGE 31)

"Million Dollar Hour" Speakers



T. D. Harvey



W. B. Pirnie



L. M. Buckley



W. T. Earls

Among the premier producers who appeared on the Million Dollar Round Table Hour, dramatizing approaches that have made money for them, were Thomas D. Harvey, Mutual Life, Chicago; W. Bruce Pirnie, Massachusetts Mutual Life, Boston; L. Mortimer Buckley, New England Mutual Life, Chicago, and W. T. Earls, Connecticut Mutual Life, Cincinnati.

Congratulations!

To the Underwriters and Executives who have made the National Association of Life Underwriters One of the Best Trade Associations in the United States.

While in Cincinnati make our Agency Offices your Headquarters. We are just across Fourth Street from the Gibson Hotel — Suite 537 Dixie Terminal Building.

THE OHIO STATE LIFE INSURANCE COMPANY

COLUMBUS, OHIO


JAMES C. McFARLAND, C. L. U.
Cincinnati General Agent

CLARIS ADAMS
President

FRANK L. BARNES
Vice-President

WELCOME N.A.L.U. to the BUCKEYE STATE

The Ohio Managers and General Agents shown here use this as a medium of extending a hearty welcome to those in attendance at the 52nd Annual Convention of the National Association of Life Underwriters ★ ★ ★ ★ ★

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Offers Real Estate PLUS Life Insurance as Hedge

A clever joint presentation, showing how life insurance is needed to protect investments made in real estate as a hedge against inflation, was presented at the Million Dollar Round Table hour by Louis Behr, Equitable Society, and Walter N. Hiller, Penn Mutual, both of Chicago.

Mr. Behr, a life insurance agent, was seated at his desk in his office. Mr. Hiller, president of the Hill-er Valley Real Estate Corporation, was calling on Mr. Behr to attempt to sell him some real estate. The action took place in Mr. Behr's office.

Hiller: Mr. Behr?

Behr: Yes, sir.

Hiller: My name is Hiller, Mr. Behr. I am of the Hill-er Valley Real Estate Corporation. A friend of yours suggested that I drop in to see you.

Behr: Yes, and what can I do for you, Mr. Hiller?

Hiller: Well, Mr. Behr, I have a swell proposition that I would like you to consider. It is a proposition you just can't afford to pass up, it is so marvelous. May I sit down, please?

Behr: Certainly—but I haven't a great deal of time to give you today. I have a pretty full program for the day, so I would appreciate it if you would make it snappy.

Hiller: Oh, it will be snappy, all right, Mr. Behr; when I tell you about the proposition you will snap at it like that. (Hiller snaps fingers.)

Behr: Well, what is it? You have aroused my curiosity.

Hiller: You have probably heard of Harry Wright, haven't you?

Behr: Harry Wright? Harry Wright? Let's see. It seems to me I have heard that name before. I just can't recall that fellow.

Hiller: Well, to refresh your memory, Harry Wright is just finishing out his term of office as president of your National association. He has been a member of your Million Dollar Round Table for quite a few years, I think.

Behr: Oh, yes, now I remember the fellow. He has been away from Chicago so much that I thought he had quit the life insurance business—but anyway, what about him?

Hiller: Well, it is Harry Wright's home that I want to tell you about. It is for sale at a marvelous price, and if you are the smart man that I have been told you are, you will buy it. It is a swell investment, and there is no better hedge against inflation than a piece of real estate like that.

Behr: Do you mean to tell me that Harry Wright's home is on the market?

Hiller: Yes, sir, it's for sale—every bit of it. Ten acres of land, beautiful landscape, 20-room house, three-holer garage—everything. Look! Here's a picture of it. (Shows picture to Behr.)

Behr: Yes, it is a beautiful home—and the three-holer goes with it?

Hiller: Yes-siree!

Behr: Well, I can understand why Harry Wright has to sell his home. He did a swell job for the National association and was out of the city so much that he only sold a measly million and a half of life insurance.

Hiller: Well, that's the answer, Mr. Behr. He did so well that he is selling his home and building a new one.

Behr: Is that so?

Hiller: As a matter of fact, I believe real estate is such a good investment that I have practically all of my own money in it.

Behr: Well, that's very interesting. I might be interested in buying Mr. Wright's home. Suppose I make a date with you to see it?

Hiller: That's fine, Mr. Behr. How about tomorrow afternoon, around 2 o'clock? (Hiller stands up.) I'll pick you up here at your office and drive you out to see the property.

Behr: O.K.—that's a date. (Hiller starts to leave.) By the way, Mr. Hiller, did I hear you say a moment ago that you had practically all of your money invested in real estate as a hedge against inflation?

Hiller: I sure have.

Behr: You will pardon my bringing this up, but I assume that you are a married man with children?

Hiller: Yep! I have a wife and two swell little girls.

Behr: Then you have a substantial investment in real estate not only as a hedge against inflation, but also to provide ample income for your old age—and if you pass away, sufficient income for your wife and two daughters.

Hiller: You got the picture exactly. That's what my real estate is going to do for me and my family, and I've got a lot of it, too.

Behr: Mr. Hiller, your situation is about the same as most successful business men of today—they believe in their own business to the extent of investing from 90 to 95 percent of their assets in that business.

Hiller: I guess you are right there.

Behr: And that's only natural. We make our money in our own business and we lose it in other people's rackets.

Hiller: You said it!

Behr: But unfortunately, when the successful business man dies, and especially now with these increasing federal estate taxes, and if perchance he dies in a bad market, the forcing liquidation of his business to pay these taxes in cash would be financially ruinous to his estate. That takes in his wife and his children, as well as his employees and their wives and children.

Hiller: Well, if you are thinking of my situation, Mr. Behr, I have taken care of the very thing that you are talking about—I own \$10,000 worth of life insurance.

Behr: I know by reputation that you operate a very successful real estate firm—the name Hill-er Valley is very well known.

Hiller: Yes, sir, that's the most successful real estate concern in town.

Behr: Well, Mr. Hiller, let's assume that the value of your real estate is worth as little as \$150,000. The federal estate taxes now, not taking into consideration the state inheritance taxes, the cost of probate and administration and your last income tax would amount to approximately \$21,000—and that must be paid in cash.

Hiller: \$21,000 on an estate of \$150,000? Well, what would it be on \$250,000?

Behr: Approximately \$48,000, under the new law, which would be way over \$50,000 if we added other costs. Here it is. Look at this chart.

Hiller: (Whistles.) Holy smokes! Will it be that bad?

Behr: Yes, and if you had to raise \$50,000 in a bad market wouldn't it play havoc with the property and the subsequent income you expect to leave for your wife and children?

Hiller: I expect I could get that out of my real estate.

Behr: You probably could, but remember you are not going to be here to do it. Your life insurance will do a part of the job because it matures in cash when it is needed at 100 cents on the dollar. But still you have not used some of your very valuable exemptions.

Hiller: What do you mean by exemptions?

Behr: Before explaining that, let me show you an illustration of what I could do for a man in your position. (Behr moves over to Hiller.) Just look at this! (Behr and Hiller go through gesticulations in pantomime.) It is true you bought your real estate as a hedge against

(CONTINUED ON PAGE 32)

COLUMBUS MUTUAL GIVES DEFENSE BONDS

Puts Shoulder of Life Insurance to the Wheel of National Defense!



Adequate defense cannot be achieved without advance preparation. A man buys life insurance years before his life is in danger and a nation should prepare before it is attacked. To help members of our sales force become more defense-conscious, we have selected National Defense as the theme of our fall campaign—symbolized by this Victory Badge.



PROMOTES LIFE INSURANCE AS NATION'S GREATEST DEFENSE TO HOME AND FAMILY!

ANNOUNCING NEW PACKAGED SALES AMMUNITION SECURITOR PLANS

"Do Your Part in Home Defense"—today's words of ACTION to Columbus Mutual Agents. It's "firing" their efforts to new "heat" as the slogan of the Company's recently announced VICTORY DRIVE . . . a unique sales campaign sponsored to familiarize all agents with the important role LIFE INSURANCE plays in our Nation's defense efforts. In a novel, entertaining, sales-winning way it acquaints agents with the good citizenship signified by the ownership—and the sale—of Life Insurance. It helps them to more fully appreciate that Life Insurance is the best defense for home and family ever devised . . . as well as indirectly lending financial aid to our country's emergency needs.

And to further cooperate with National Defense, the top two producers in every production class will be awarded Defense Bonds . . . EXTRA PROFITS for accomplishment that say "we are doing our bit." Participants are also awarded VICTORY buttons which are later redeemable in cash by those who finish in the lead. And to encourage more competitive spirit, army officer ratings are given for specified increases in volume. In fact, the whole 60-day campaign is typical of Columbus Mutual's up-to-the-minute aggressive sales policy . . . a policy that helps agents make more money.

For **V** (Five) Selling Plans
For **V**isualized Selling
For **V**olume Production
For **V**aluable Prizes!
and Victory
IN LIFE INSURANCE SALES

ALWAYS IN FRONT! A Columbus Mutual sales policy which is again demonstrated by the new ammunition announced as part of this VICTORY DRIVE. And as usual, it's certain to be a winner! It's a series of "Insurance Packages" known as the SECURITOR PLANS . . . easy-to-present, easy-to-sell forms that supplement the much-talked-about "packaged insurance" sales strategy, originated by Columbus Mutual many months ago. A method of selling that has helped agents everywhere make more money! And here again—with these plans—it makes a DRIVE TO PROFIT VICTORY a "cinch"!

The SECURITOR PLANS are offered in three different-sized packages—a size to fit any pocketbook. They offer what every family man wants—a specified monthly income for his family in case he dies, or similar benefits for himself in case he lives to 65. With the SECURITOR PLAN you provide both forms of protection for a surprisingly small annual deposit.

If you want insurance that's easy to sell . . . or a sales tool that gives you a perfect "door-opener" . . . a study of the SECURITOR PLANS will certainly prove interesting . . . and a real tip on how to boost commissions. Write TODAY for the SECURITOR SALES PACKET. It will be sent gladly without obligation to any Insurance Agent.

ADDRESS D. E. BALL, PRESIDENT
The COLUMBUS MUTUAL Life Insurance Co.
COLUMBUS OHIO

2nd Day

Public Relations Program Given Much Attention

A comprehensive public relations program during the convention was planned by the Cincinnati Life Underwriters Association, using radio programs, window and street car displays, and prominent life insurance speakers before business clubs.

Luncheon speakers included H. J. Johnson, president of the Institute of Life Insurance, Rotary Club; G. F. Johnston, regional group supervisor Metropolitan, St. Louis, who has been loaned to the government to conduct the national defense savings drive and who is a trustee of the National Association, Cooperative Club; E. H. Schaeffer, manager Fidelity Mutual, Harrisburg, Pa., and national trustee, Exchange Club; C. C. Day, general agent Pacific Mutual, Oklahoma City, Lions Club; J. A. Witherspoon, general agent John Hancock, Nashville, and vice-president of the N. A. L. U., Buckeye Club; E. F. Colborn, general agent Connecticut Mutual, Rochester, N. Y., American Business Club; C. J. Zimmerman, general agent Connecticut Mutual, Chicago, N. A. L. U. past president, Kiwanis Club.

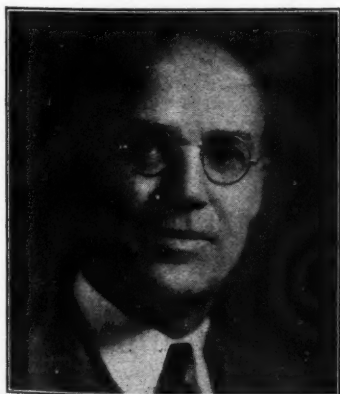
A 15 minute radio panel Thursday featured Grant Taggart, California-Western States Life, Cowley, Wyo., N. A. L. U. secretary; G. E. Lackey, general agent Massachusetts Mutual, Detroit; H. K. Cassidy, general agent, Pacific Mutual San Francisco, and a talk by W. H. Cox, president of the Union Central Life.

A week before the convention opened, the Cincinnati association inaugurated a series of 13 one-minute broadcasts at 6:45 each evening over station WSAI in which 26 local life underwriters participated. It also used radio facilities to acquaint the public with its work in a 15 minute pre-convention broadcast. T. I. Parkinson, president Equitable Society, speaks on a program broadcast from station WSAI Friday, and Dr. Hu Shih, the Chinese ambassador to the United States, spoke on a similar program Thursday over station WCKY.

Large announcements of the convention were carried on the rear of 500 street cars and two cards were also placed inside each street car.

At one of the most prominent corners in the city, the six windows of the Fifth-Third Union Trust Company, Fourth and Walnut streets, the Cincinnati association arranged for a display which featured the large part life insurance plays as an economic and social factor in the city of Cincinnati, Hamilton county, and nationally. The displays showed the large amounts paid out by the life insurance companies in death claims, matured policies, and wages, both locally and nationally, and attracted a great deal of attention.

Speaks to Women



LEIGH CRUESS
Vice-president Home Life



BUCKLE DOWN

America!



World events observed through eyes blurred by propaganda cause humans to be led where, in normal times, seem disastrous. But—

Today's work program is jarring yesterday's social trend.

So What?

Buckle down, America! Work makes prosperity. Buckle down to your job. Put on eye-blinkers to keep you seeing and thinking clearly about your main objective in life.

America has its hands on the production wheel and will push it through to security.

Midland Mutual Men are backed up --

with a profitable agency contract
with financial backing
with a tested agent's training plan
with a liberal financing plan for agents
with an adequate Home Office supervisory system

with proven selling plans
with a complete sales kit
with policies for every purpose
with low monthly premiums
with a cooperative Home Office



THE MIDLAND MUTUAL LIFE INSURANCE CO.

COLUMBUS, OHIO



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Agency

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OF BOSTON, MASSACHUSETTS

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GENERAL AGENT

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ENTER OF CHICAGO

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is the recognized Life Insurance Center of Chicago. Twenty-seven life insurance offices occupy space in this modern, up-to-date, forty-seven story building, located at La Salle and Madison Streets.

The General Agents and managers with offices at One La Salle Street whose names appear here have unequalled facilities for handling all life insurance business. Brokers will find prompt and unusual service on brokerage business at these offices. Men who desire to become Life Underwriters and connect with well established organizations that will give helpful aid will find an opportunity awaits them.

Here are some of the most progressive and modern producing organizations offering the finest service on life insurance to be found anywhere in the country.

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Lincoln National Life Insurance Co.

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AN AGENCY WELL EQUIPPED TO
HANDLE BROKERAGE BUSINESS.

THERE'S A REASON . . .

why more and more brokers and surplus writers are giving business to the Hughes Agency. They say that they find here—prompt service—sound advice—business-getting ideas—and courtesy always—to both the agent and his client.

E. W. HUGHES

General Agent

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OF

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★

*An Agency Especially Equipped to Educate
and Develop Steady Producers*

McAndless Predicts Adjustments

(CONTINUED FROM PAGE 7)

even be true that lower rates of interest will force larger accumulations of savings, because a person looking forward to living off a fixed income at age 65 will have to save one third more, if he is to have the same income at 65, if the interest rate is 3 percent instead of 4 percent.

"There is also a tendency at the present time for savings, particularly with reference to life insurance, to be forced. The buyer of life insurance must continue to pay premiums in order to be certain of the benefits which he started out to purchase. If we reduce the interest rate in our reserves from 3 to 2½ percent, we aggravate this situation. We must charge higher premiums and accumulate higher reserves. Pension funds have the same effect. They are coercive in their nature, forcing savings upon the workers. One great improvement in the social security act was our discarding of the full reserve theory which takes away a measure of the forced savings feature of pension plans. Prior to the adoption of this principle, the Swedish government had discarded the full reserve theory in connection with its national insurance schemes."

Supply Exceeds Demand

Mr. McAndless presented an interesting chart (II) showing a comparison of the supply and demand for capital. From 1920 to 1930 savings other than life insurance increased 135 percent, while insurance savings increased 143 percent. In contrast the long term debt showed a substantially lower increase, private debt increasing 85 percent and public debt increasing 7 percent or a total of 66 percent. Although from 1930 to 1939 public long term debt showed a very decided increase of 75 percent, long term private debt dropped off 18 percent for a total increase of 8 percent in long term debts. In contrast, savings other

than life insurance increased 20 percent and life insurance increased 66 percent.

The marked decline in interest rates since 1920 was demonstrated by Mr. McAndless in Chart III. "Back in the '20s it was common for non-participating companies to compute premium rates on a technical rate of 4, 4½ or even a 5 percent basis, using a table of mortality which was in close conformity with their own actual experience with risks. It was customary for participat-

present interest level there is no margin remaining with premium rates computed on a 3 and 3½ percent basis. Consequently, Mr. McAndless predicted that "we can look forward in the insurance industry to a considerable number of participating companies changing over to a 2½ or 2¾ percent reserve basis and to the non-participating companies largely going on a 3 percent basis."

Various Opinions on Interest

In talking to insurance people, Mr. McAndless said he gets all sorts of opinions as to what is going to happen

much higher than the present high premium participating company's rate, he stated.

There are others who think that out of the demands of the federal government for funds to finance the defense emergency, the companies will get a considerable improvement in long term interest rates. However, Mr. McAndless disagreed with the latter conclusion. The federal government is largely financing defense industries. This is particularly true of the aircraft industry where expansion has been largely financed through bank loans and in other cases through loans from R. F. C. These loans are repaid by bonuses in government contracts sufficient to amortize the investment over a five year period. The net result of such a policy is, in the last analysis, that corporations are being financed through an increase in federal debt. The home mortgage field probably is the only thing that has stimulated a demand for long term funds so far as life insurance investment is concerned.

Revolutionary Feature in Investment

The tendency for the federal or central government credit to make itself felt in fields formerly dominated by private credit is not a new event, Mr. McAndless pointed out. "It is probably the one revolutionary feature of investment in our times. Its beginnings may be traced back to the mortgage banks in central Europe, which were established in order to facilitate and improve farm credit. The thing made its appearance here as federal land and joint stock land banks."

Mr. McAndless said there are evidences that the R. F. C. as a government lending agency will compete directly with private capital where it feels the terms offered are, for any reason, too stiff. This was demonstrated in Arkansas recently in the competitive bid for private utility obligations. Occurrences such as this cannot help but have a depressing effect on the immediate interest rate as far as life company investments are concerned. "If this trend for public

Long Term Savings and Long Term Debt

(Amounts are Billions of Dollars)

	Long Term Savings of Individuals		Long Term Debt		
	Total of Six Types of Savings	Life Insurance Savings	Private	Public	Total
1920	19	6	48	32	80
1925	33	9	68	33	101
1930	46	14	89	34	123
1935	42	18	75	48	123
1939	55	24	73	60	133
% of Increase					
1920-30	135%	143%	85%	7%	66%
1930-39	20%	66%	-18%	75%	8%

Life insurance savings grew from 27% of the total of the six types of savings in 1925 to 43% in 1939.

Chart II

ing companies to compute premiums on a somewhat lower interest rate, which gave them a margin, if interest earnings were above this rate, out of which to pay dividends." These once wide margins have been reduced and at the

to interest rates. There are those who feel so pessimistic about the situation that they would have companies compute premiums with a zero interest rate and it is surprising to know that if they were so computed they would not be

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 Wrote its First Policy in Cincinnati in 1845

IT HAS BEEN SERVING THE PEOPLE OF CINCINNATI
 FOR NEARLY A HUNDRED YEARS.
 AN OLD COMPANY STILL YOUNG

*We salute our Cincinnati General
 Agent... Lee B. Schener and
 his able associates*

State Mutual Life Assurance Company
 of Worcester, Massachusetts
Rugged as New England's Rock Bound Coast

credit to replace private credit continues, it may very well be that the rate, now obtainable on government bonds will come to be regarded as a generous rate by the time we take into consideration capital losses which undoubtedly will be incurred in connection with other types of investment."

Affects All Loans

Government intrusion eliminates the risk factor in interest and depresses it unduly in connection with all types of loans. As the government usually makes

tion that the productivity of society increases wealth at a rate of between 3 percent and 4 percent per annum and hence individuals and corporations can afford to pay at least that for the use of savings, is out of line with reality. The nature of the country's economy has changed radically from a free capitalistic system with few controls to a highly controlled and centralized system bordering on state capitalism. "Therefore, it seems illogical to compare interest rates over a long period of time since the whole climate in which these

INTEREST RATES ON HIGHEST RATED CORPORATE BONDS AND ON MORTGAGES OF A GROUP OF LARGE LIFE INSURANCE COMPANIES

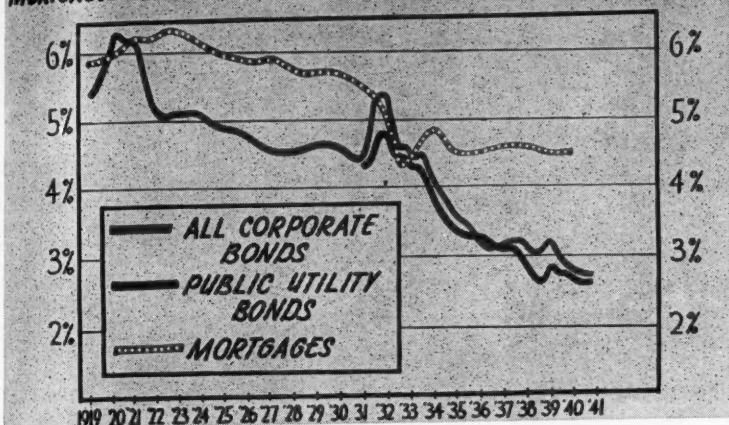


Chart III

its loans for social or employment reasons, or because industry is vitally needed in connection with the defense program, the elements of risk are discounted because the main desire is to accomplish social purposes and if a loss comes through the venture the government will not be criticized for making unsound loans as would institutions. Private lending agencies take no such social view of the situation. The private agency does not have the right of assessment to recoup losses such as that which exists indirectly in the hands of a government agency.

Increase Is Improbable

To demonstrate the improbability of an increase in interest rates as a result of war activities, Mr. McAndless pointed to the experience in Great Britain and Canada where there has been a decline rather than an increase in interest rates. "This decline took place in a period when the British government was operating under a great financial strain and with less resources at its disposal than is ever likely to be encountered by the United States government," he said. The experience of the Canadian government has been somewhat similar so it seems to be true, therefore, that in a modern, controlled economy, including rationing or elimination from the market of many types of goods, huge war borrowing does not necessarily raise interest rates.

Rate Will Not Exceed 2½ Percent

From present indications it seems reasonable to assume that the maximum rate of interest which will be paid on U. S. government borrowing will not exceed 2½ percent and the average rate may be as low as 2 percent. This assumption seems reasonable in view of the current 3 percent at which the British government is borrowing despite its more limited resources.

Regardless of the common assumption that capitalism in its present form is an old institution, it is really relatively new, Mr. McAndless said. The capitalistic picture, formerly characterized by very little public debt and large private debt, has now changed to that of a large public debt and declining private debt. Another common assumption that capitalism will always take care of itself because of the so-called natural productivity of savings, is unwarranted, Mr. McAndless said. The general assumption

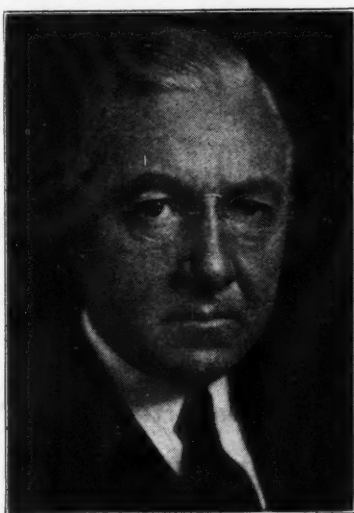
operated has undergone a radical change. New influences have emerged which greatly affect interest rates. Among these is the rise of great financial institutions like life companies and mutual savings banks, with a demand for fixed interest bearing securities. The demands of these institutions for such securities has tended to outrun the supply."

Need for Law Change

For this reason, Mr. McAndless came to the conclusion that there is a need for permitting life companies to invest a limited percentage of funds in shares of established and successful industrial enterprises.

James A. Preston, sales manager Columbus Mutual Life, is handing out "V for Victory" buttons in connection with his company's new sales campaign tying up with the national defense program.

Presiding Officer for American College Hour



JULIAN S. MYRICK, New York Mutual Life

We Salute THE LIFE UNDERWRITER

- ☆ A man unsung in the annals of poetry and song;
- ☆ A man who has made himself indispensable to his community;
- ☆ A man respected, whose sound advice is seldom disputed;
- ☆ A man whose discerning sympathy and shrewd business ability have leveled the black clouds of worry;
- ☆ A man who is more and more becoming financial advisor to his clients—a friend of the inner circle;
- ☆ A typical American—The Life Underwriter. We salute you.

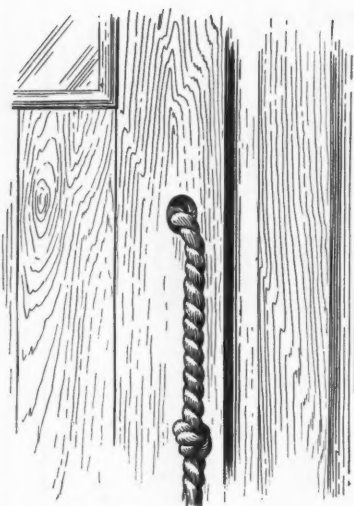


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SURPLUS . . \$27,787,481 • INSURANCE IN FORCE DECEMBER 31, 1940 . . \$993,552,639

LIFE INSURANCE IN FORCE CINCINNATI

No. 1 Job Is to Defeat Hitler, Douglas Says

(CONTINUED FROM PAGE 5)

Republic. It is more grave, it is more serious, it is replete with more unhappy implications, than any other event, any other threat, any other menace, in the span of our national life. It tests the stuff of which we are made—the depth of our faith—and the strength of our beliefs. It constitutes the greatest single threat to the future of life insurance.

"As trustees of funds of millions of free Americans, we in this business must oppose, at least understand, the evil forces that threaten the futures that our policyholders have so carefully planned and entrusted to our care.

"Too many Americans, men of good will and good intent, have missed the significance of world events, failed to apprehend the danger involved in them to us and to our country. In this they are not unlike millions of Englishmen who, until the mightiest military force in the history of mankind was released for wholesale international brigandage upon the fields of Europe and the seas of the hemispheres, intent upon ultimately conquering the world, remained indifferent to the storm that was gathering. They remained indifferent until it was almost too late—until they were on the thin edge of the horrible abyss. In this indifference, too, they are not unlike many Frenchmen who, year after year as the strength of Germany was being accumulated, failed to apprehend the shadow of future events; because of it, their country slipped over the thin edge and fell into the abyss.

Lack of Understanding

"But it is not unnatural that this indifference should exist among us. Perhaps it would be better to call it lack of understanding. Indeed, its absence is comprehensible, first, because we find it, even now, difficult to understand that the internal combustion engine applied to the

making of war has impaired the invulnerability of the defenses of the seas. We do not yet understand—at least not enough of us yet understand—that a hostile air base in Africa can cut our lines of communication by sea with South America. The internal combustion engine has revolutionized our cities, it has revolutionized our system of transportation, it has revolutionized our lives—and it has revolutionized our security and the meaning of our defense. This brute fact too few among us have learned.

"But there is another reason which makes a too prevalent indifference to world events comprehensible. We all respond, each of us, to the views that our past condition of existence has developed within us. Our experiences, intellectual, economic, social, have all cast our reactions according to a pattern and have impressed on us a view of life that makes it difficult for us to appreciate the forces of evil that have been let loose in the world.

"Essentially our point of view came from the environment of the nineteenth century. We still respect its moral code although we do not always observe it. We still believe in the qualities that distinguish it from all other centuries, the attributes that set it apart, the characteristics that make it unique in human experience. We know of no other world, and we find it difficult to conceive of any other.

No Physical, Intellectual Frontiers

"May I be more specific and review with you those attributes of the nineteenth century which underlie and are an integral part of the impulses behind our behavior. The nineteenth century world was one of freedom—freedom of thought, of act, of religion, of speech. The nineteenth century world knew no frontiers, either physical or intellectual. The nineteenth century was a period of expansion in geography, in economics, in science and in art. It was a period when class distinctions fell before the advance guard of knowledge and com-



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• The man who represents a company writing both Life and Accident-Health protection wins more victories because when resistance develops on one front he advances on the other. And, for a combined assault, he uses the Federal Streamliner, which provides life-Health-accident-Hospital protection in a single policy.

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FEDERAL LIFE INSURANCE CO.

ISAAC MILLER HAMILTON
Chairman

L. D. CAVANAUGH
President

CHICAGO

merce and industry. It was a period that recognized no limitations on its future.

"During that century goods moved freely from one part of the world to another so that specialization and division of labor permitted every man and every woman to make the fullest use of his or her abilities and permitted society to achieve a standard of living unsurpassed in historical experience. It was a century in which the world enjoyed a universal currency, acceptable, on the second, in Capetown or in Chicago, in Paris or in Yokohama. Unrestrained national sovereignty had not yet become the serpent to our paradise.

"The world of this century was marked by an abundance of opportunity (certainly faith in opportunity), by a restless urge to find new fields to conquer, and by a deep conviction that satisfaction and security lay in progress. The world of this century was a peaceful world, barring a few backyard duels. During that interlude that spanned the century from Waterloo to the Marne, there occurred no international conflict that rocked the universe to its very foundation and unseated the faith of Christian civilization.

Leisure to Debate Available

"The wars of the centuries preceding, the 'oath on the Tennis Court' and the wars following Santiago,—wars that permit of no dissent in command and no discussion among a people—wars that require centralized authority, planned production and precise decisions made with dispatch were, on the whole, beyond and outside the environment of the nineteenth century. Hence, leisure to debate public questions, and time to make decisions, so essential to the democratic process, were available in ever increasing abundance. Representative democracy, and division of public power, the political manifestation of freedom, flourished, expanded and became the dominant force of the civilized world.

"Reason was enthroned. Responsibility—responsibility of the individual, responsibility of parliamentary bodies, was the hypothesis on which we built our social and political structure. 'A man's word is as good as his bond' was a phrase that symbolized the confidence that generally speaking prevailed both among men and among nations of the western world. A promise was a commitment to be honored and most of them were.

"I do not mean to imply that the nineteenth century was Utopia—it was not. It had many deficiencies—but its fabric was woven out of confidence; it embroidered on life a moral code—not too infrequently broken—and it had a conscience—a conscience, indeed, that rose up to plague and to haunt when the code was breached. It was this confidence, this trust, this respect for promises, this sense of responsibility, this conscience, that moved men upward in terms of the goods of life and forward in terms of emancipation from the tyranny of government and of prejudice.

Recalls Spirit of 1917

"Millions went to war in 1917 to preserve this world—Frenchmen to preserve France and freedom—Englishmen to preserve England and liberty—Americans to maintain a friendly power in control of the Atlantic and thus to protect our own land and also to make the world safe for Democracy. Many of us fought—some of us died—hundreds of thousands of our allies were killed in order that freedom might not perish from the earth, and that the world we had inherited would not be brought clattering down in ruins about our head. In it we believed with a depth of conviction, in it we had such an abiding faith that, with countless others, bound together by similar tastes and like beliefs, we went forth to the muddy fields of France, onto the grey, cold waters of the North Sea, and into the high clouds scudding across the skies.

"If the last war did not achieve our purpose, at least it prevented a militaristic empire from controlling the seas. If it did not make the world safe for Democracy, at least it prevented it from collapsing then. If, in the minds of many, the first world war was a failure, let me remind them that it was not be-



Four members of Million Dollar Round Table—Roderick Pirnie, Massachusetts Mutual, Providence, R. I., and W. Bruce Pirnie, Massachusetts Mutual, Boston, brothers; Paul Cook, Mutual Benefit, Chicago, and Paul Clark, vice-president John Hancock Mutual.

cause of the war, it was not because of our participation in it, it was not because of the treaty of the peace—rather it was because we committed 'the great withdrawal'—forgot the reasons that had moved us to take up arms—sank back into the embrace of the isolationists and withdrew from that serious acknowledgment of our national responsibility so necessary to international order that we recognized among individuals as so essential to domestic tranquillity.

"Forgetful though we have been during this last fateful fifth of a century, our present-day institutions and beliefs, our whole 'delicate complicated organization . . . through which alone . . . peoples can employ themselves and live,' as Keynes has said, rest upon the beliefs and trends and conscience of the nineteenth century. Conviction and faith in those principles are so deeply imbedded in us that we think in those terms and respond instinctively. We find it hard to understand that there are men today

who think differently. We cannot believe in the existence and the ruthless employment of unrelenting force—of the lie as the basis of action and order.

"But the convictions and beliefs which stem from this world to which we are the heirs are being challenged and threatened—indeed progressively destroyed. A set of wholly different beliefs are becoming the moving forces in a world revolution. Many millions of people, firm in their convictions, even as we are in ours, embrace this different view. Not only are they firm in their convictions but they are determined to reconstruct the world in their own evil image. And they back their ambitions with the most powerful war machine in all history.

"The beliefs which these peoples hold are in every respect an antithesis of the very foundations of our world. 'The logic of tyranny' is 'gilded by the ethical beauty of sacrifice.' The state is 'god.' In the name of that abstraction, millions must be prepared to work, to suffer, and to perish. The free market place (or relatively free market place) which registered the dictates of the nation's consumers is replaced by the dictates of the state. A rigid caste system is intended for the world: Among the chosen people there are to be bureaucrats and non-



An American Symbol - 1845

Scarcely 70 years after the Declaration of Independence, this emblem appeared on the first policy issued by the Mutual Benefit. The Founders chose it as symbolic of the devotion to the welfare of others which is the spirit of Life Insurance. The Company they founded has itself become an exemplar of a genuinely

American spirit of cooperative enterprise. The Mutual Benefit began as—and still is—a group of policyholders united for their common good. It has grown to be a great Company through 96 years of adherence to the original principle that what is best for the policyholders is best for the Company.

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

HOME OFFICE



NEWARK, N. J.

bureaucrats. They are to be the lords of the universe; others are to be their slaves. This state recognizes no commitments and no promises. Morally it rests upon a lie—as it itself freely, even boastfully admits. It admits of no freedom. It acknowledges no law. It abides by, rests on, and employs only the primitive instincts—fear and hate—implemented by the greatest accumulation of arms and armies in all human experience.

No Hypothesis, No Theory

"That these are the qualities and the convictions, the determination and the implements of this would be master of the world is no hypothesis, no theory. The record proves it beyond a doubt, the record of the spoken and the written work—the record of acts done—cruel, brutal, intolerably brutal acts. Let him who believes differently offer one single scintilla of evidence to the contrary. Let him who contends that this set of beliefs is in any way compatible with the bases of our civilization and our institutions show how this may be. Let any one who feels that we can do business with Hitler disprove or even cast any doubt upon the history written in newspaper headlines and in blood splattered over three continents. Let him tell us, if he contends that we can live our lives unmolested and unchanged by this hideous system, why there are Nazi agents roaming up and down the western hemisphere, using every method of infiltration to sow discord, treason and treachery among us and to disunite and weaken us.

"Let him re-examine the acts of arbitrary violence within Germany, the silencing of the opposition, the concentration camps for those who voice dissent, the purges of death for those who doubt, the stealthy snatching of peaceful men and women from their homes—men and women whose only guilt and whose eternal glory is that they worship a God of their own choosing. Let him review the cruel ruthless breach upon breach of every promise made and the violent invasion of simple kindly countries. Let him answer the question: Are Hitler's stated ambitions to dominate the world completely false? Let him decide whether our chances of survival are better fighting alone against all the world or fighting with a powerful partner who controls the seas.

"It is this frightful force unleashed on the world that challenges our freedom and our institutions.

Challenge from Mighty Force

"It is a challenge not of peaceable disagreement, but a challenge from a mighty force which would deny us, as individuals and as a nation, the right to live as we wish to live. It is a challenge which would deny us the right to preserve any of the institutions which we hold dear and which were founded and conceived and nourished in freedom.

"The question this country, and every one of its citizens faces today, is whether this challenge will be met. Will it be met wherever and however necessary—in the factory, on the farm, on the sea, in the air, and on the battlefield? Do we believe enough in our way of life to fight for it?

"A fight is risky and perilous. A fight means the sacrifice, for a while, of conveniences and, even, a degree of freedom itself.

"But are there not greater risks to ourselves, to our families and to our children in any action or inaction which would permit the success of this brutal alien philosophy? The oppressed, the starved and the people of tortured Poland and France and Norway shout even through the tightest censorship in history that victory by the totalitarians is far, far worse than death and that to die well is to wear the victor's crown.

Means Change in Lives

"To oppose this militant force of barbaric paganism means a change in our lives to some degree—perhaps to a great degree—for some time—perhaps for a long time, because opposition to these forces of aggression and world dominion

is no part-time affair. It means the mightiest effort of our history. But to submit either purposely or accidentally is to assure a change in our mode of life and living from which neither our children's children, nor their children's children will be able to escape.

"The houses we build will be builded on the sands—the plans we make will rest on fanciful hopes—and the protection we devise for our dependents will prove to be as fragile as an empty egg shell unless Hitler is defeated and with him, the attempt to establish force as the only rule by which men everywhere must live and die.

"This is the most significant fact in the history of the modern world. This is the most significant fact in the history of our country. This is the most significant fact in the history of American life insurance.

"For we deal chiefly with two of the four essential freedoms: 'freedom from want and freedom from fear.' Free men and free women associate themselves and a part of their resources together cooperatively to assure themselves and their beneficiaries against definable future uncertainties, and we are their servants. By this cooperative mechanism, entailing long and trusted commitments within a framework of law, at least some

of the hazards of old age and of dependents can be eliminated, and want and fear reduced.

Bad Day for Insurance

"But life insurance would be restricted, if not in time made impossible for men who might tomorrow be in the concentration camp, the disposal of whose resources was not free but dictated by the state, whose futures depended not on ability but on a tyrant's whim, who could make no certain commitments and trust none given, whose associations could depend on no established law. The very mortality tables upon which our business rests would be un dependable, for what does the death rate of starved and tortured people have to do with longevity as measured by our past? That investment stability resulting from broad diversification in enterprises of a free people might be in peril, for what enterprises would be permitted to a vassal? What enterprises could survive encirclement?

"No, our great institution was founded upon freedom within the framework of a free Christian and peaceful society.

"Every policyholder has a stake in preserving its substance. Every policyholder has a stake in defeating any attempt to destroy it. Every policyholder has a stake in recapturing the moral and international

climate in which the promise of 'Locksley Hall' may be fulfilled:

"For I dipped into the future, far as human eye could see,
Saw the Vision of the world, and all the wonder that would be;
Saw the heavens fill with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with costly bales;
Heard the heavens fill with shouting, and there rained a ghastly dew
From the nations' airy navies grappling in the central blue;
Far along the world-wide whisper of the south-wind rushing warm,
With the standards of the peoples plunging through the thunder-storm;
Till the war-drum throbbed no longer, and the battle-flags were furled
In the Parliament of man, the Federation of the world."

"But this cannot be achieved until and unless Hitler is defeated and his ambitions for all time frustrated.

"There can be—there will be—no peace, no tranquillity, no leisure, no freedom, no 'freedom from want,' no 'freedom from fear,' until this greatest of all objectives is attained and we, with all English speaking peoples, control the seas and the air above the seas lest some new brigand attempt again to break in upon our peaceful lives."

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Pirnie Outlines Analysis of Family's Future Needs

An estate planning approach was presented by the Pirnie brothers, both Massachusetts Mutual Life general agents, during the Million Dollar Round Table hour. Roderick Pirnie, Providence, R. I., presented the sales talk while Bruce Pirnie, Boston, who formerly worked under his brother, responded as the prospect. After the customary "Good mornings" the approach developed as follows:

Roderick Pirnie: Will you gamble 10 minutes of your time against 10 minutes of mine on the possibility that I may have something of interest to you?

Prospect: What is it all about?

Roderick Pirnie: I represent the Roderick Pirnie Estate Service which is an organization founded on the premise that we Americans are pretty good at creating things but not so good at conserving them. Of course, when we started we didn't have the last seven or eight years to prove our point, but even then I think you will agree with me that our premise was well taken. Now our purpose is to work out with a man a picture of his situation exactly as it is today and then try by a careful arrangement of his entire picture to make certain that that which he has spent a lifetime in creating may be passed on to his family and do for them the maximum amount of good.

Ninety Percent Life Insurance

Bankers' statistics show that 90 percent of all moneys left at death are in life insurance, so we start with a man's insurance policies and put them up in book form like this with a sheet for each contract, giving the company, the policy number, the amount of insurance involved, the date of issue, the kind of insurance, what the premium is, when

it is payable, termination of the contract if it is a limited payment or endowment, any disability, double indemnity or other features, what the dividends are used for, who the beneficiary is, who the contingent beneficiary is, how the contract is made payable to those beneficiaries, and the purpose for which this contract was purchased.

Then down here in this bracket we have a 10-year inventory of the contract starting with the date we do the job; in this we have a space for gross premiums, dividends and net premium if anybody is interested in keeping that record, cash value, paid-up value, extended term value at any given year, with, as I have already said, a sheet like this for each contract. We then turn to the back of the book where we find the calendar of premium due dates. Here we bring together all the policies and we have the company, the policy number, the amount and kind of insurance involved, date of issue, the month of issue, the date of the month indicated with a little red figure, the dividend month indicated by the red letter "d", the total premiums by months and total premiums for the year.

Analyze Family's Needs

Now, that, Mr. Prospect, is what 999 life insurance men out of 1,000 mean when they say let me audit, let me inventory, let me analyze, let me program, let me organize your estate, but that is merely mechanical work. When we have done that, we have familiarized ourselves with our client's life insurance holdings. We then turn to what we call our laboratory sheet which is titled "The Analysis of Family Needs" and on it work out the picture of our client's situation. Now this picture that I am about

The SUN SHINES BRIGHT

in the OLD KENTUCKY HOME



MY OLD KENTUCKY HOME
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Truly, the sun of prosperity shines bright in Kentucky Home Mutual! An aggressive sales organization equipped with "up-to-the-minute" prospecting and sales plans backed by active home office cooperation continues to bring an ever increasing volume of business to the Company. Result—a gain of sixteen percent in business in force last year!

This co-ordinated teamwork between the home office and its Field Staff has increased the average amount of new paid-for business per Representative to an all time high!! Liberal agency contracts coupled with streamlined sales and prospecting plans have increased the average earnings of Kentucky Home Mutualmen over thirty percent during the past six months!

The Company's Agency Expansion Program continues to bring many new and well-qualified underwriters to the Field Staff. Agency openings are available for qualified salesmen. Write us today, stating fully your experience and past record of production.

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E. S. ASHBROOK
President

OF CHICAGO. PAUL McNAMARA
Vice-President

JOHN H. McNAMARA
Founder

North American Building, Chicago, Illinois

Equitable of Iowa Group of Qualifiers in Cincinnati



Fifty-eight field men of Equitable Life of Iowa are attending the convention as guests of the company. Ray E. Fuller, superintendent of agencies, announced that 18 are general agents, and 40 are agents, and that their invitations to attend resulted from their attainment of specific production and organization objectives established for the period Jan. 1 to Aug. 31. The

general agents qualified largely through the successful completion of organization objectives, although minimum production goals also were required of each agency. The average paid production for the eight months' period of the soliciting agents present was \$265,910, and their average first year paid premiums were more than \$8,000 per man.

Equitable is also host to two agents who were invited by reason of establishing final qualifications in 1941 for the C. L. U. degree—V. J. Rose, Seattle, and E. J. Staton, Columbus.

There now are 24 Chartered Life Underwriters in the field organization of Equitable, and 12 of that number are among the convention guests.

Zimmerman Talk Gets Twisted Version in Press

The Cincinnati "Post" Tuesday afternoon carried a front page story on C. J. Zimmerman's talk on morale building before the general agents meeting. The headline conveyed the impression that Mr. Zimmerman had charged that morale in the army is low and that the army leaders are to blame. As a matter of fact Mr. Zimmerman had merely referred to a recent study of morale in the army by "Life" magazine. He made no accusations on his own responsibility. He merely desired to indicate that the problem of morale in an agency is similar to the problem in the army and that the character of leadership is all important.

Street Car Estate

In every registration packet was an interesting circular of the Cincinnati Street Railway Company. It presented a detailed study of the cost of operating an automobile, with the suggestion that by using the street car instead a man could save enough money to build a handsome insurance estate. Hudson Biery, director of public relations, suggests the slogan "Street Car Estate."

Kelly Presents Estate Planning Approach

(CONTINUED FROM PAGE 14)

that I suggest in this report, before you actually take them. At this time, I have nothing concrete to present to your attorney. Let me tell you in detail just exactly what steps I take in working out this plan.

First, I make a complete analysis of your life insurance policies. Then, when these are completed, you complete a questionnaire, and from that, I make my report. When this is complete, I notify you, and I'd like to have your attorney and accountant at the office at that time, as I have learned from experience that this is the proper time to have them present, for up to that moment, I have simply done the work, and you have made no special steps.

Mr. J: That's all right, about the attorney and accountant, but about this life insurance—I've got a very good friend in the business—in fact, I play golf with him, once a week.

Have You Your Policies?

IAK: Mr. Johnson, have you your policies here? If you have, allow me to take them for a few days. I'll see if they contain these valuable clauses, and bring back a report to you, on them. If they are in, and the beneficiary agreements are approved, your man has done a very good service, and I'll be the first to tell you so. However, if he hasn't, and I put them on—should he discover it, I simply want you to tell him this: "Austin Kelly tells me that you have had five years (I see your last policy was written five years ago), to incorporate these clauses in my policies. He isn't getting paid for putting these in—your commission covered them, and his work is gratis. If any complaint is to be made, I am the one to do the complaining, rather than you."

I think the first thing to do is to work on these policies, because if you do decide to incorporate these clauses, and then decide to go no further, it doesn't alter your estate in any way. While I do that, you will get to know me better. Before I leave, I'd like to give you a list of those people with whom I have worked, the banks, attorneys and accountants, and you have the privilege of telephoning any of them.

Mr. J: What are these clauses?

Can Always Change Them

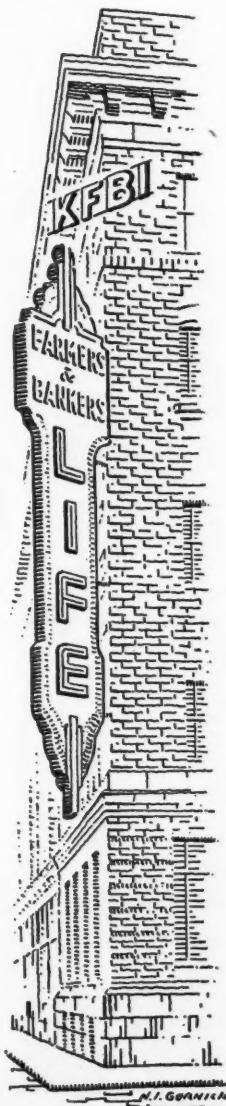
IAK: They come in the report. I will simply say this—they do not cost you anything; you do not sacrifice any privilege which you now have in your present policies; if you don't like them, or Austin Kelly, afterward, you can always change them, and last, but not least, you are paying for them anyhow, so you might as well have them on.

Thank you very much for your time,

and in our next interview, say, on Tuesday, I'd like about 20 minutes. At that time, I will have a complete report on

your policies. This work will be completed before the report on your estate is begun, and will give you ample time

to check my references and decide whether you wish to go any further.



Best wishes to N. A. L. U.

for an inspirational convention in Cincinnati. May you all go back to the field with added zest and enthusiasm for telling the story of life insurance.

•

THE FARMERS & BANKERS LIFE INSURANCE COMPANY

WICHITA, KANSAS

H. K. LINDSLEY, President

F. B. JACOBSHAGEN, Vice President-Secretary

J. H. STEWART, Jr., Vice President-Treasurer

Radio Station KFBI

1070 Kilocycles

"Policies that Protect"

Life Insurance Better Hedge on Inflation Than Realty

(CONTINUED FROM PAGE 16)

inflation, but after seeing this chart, Mr. Hiller, don't you agree with me that life insurance is a hedge against a hedge against inflation?

Hiller: I can see that now, but I never realized it before.

Behr: Mr. Hiller, in order for me to make an analysis for you on this order, first we will have to determine whether or not you are insurable. If you are not insurable today, then we can arrange your affairs as though you will never own additional life insurance, even though you may not be in the market for life insurance today.

* * *

Hiller: You mean I should be examined by a doctor?

Behr: (Standing up.) Exactly! That will only take ten minutes because our examiner is right upstairs. Then tomorrow when you come to pick me up to go out to Harry Wright's home, suppose you bring your life insurance policies and also an inventory of your assets, and we will spend a half hour in my office before we go out there.

Hiller: That sounds reasonable to me. (Both walk out.)

Behr: (Returns to the platform and walks across the stage, having left Mr. Hiller in the doctor's office.) This looks too easy. I'll bet the guy can't pass. (Behr leaves platform.)

(Mr. Hiller returns to the stage after having been examined by the doctor.)

Hiller: I'll let you in on a secret—this is the fourth time this week I have been examined for life insurance.

Kastner Accompanies Price

Ralph H. Kastner, associate general counsel of the American Life Convention, served as spiritual adviser and body guard for President Julian Price of the A. L. C. at the convention.

Recruiting, Training and Financing Are Discussed

(CONTINUED FROM PAGE 6)

important. Prospecting and package selling talks are used. The more advanced man is taught how to use talks in closing or cold canvassing. New men are requested to submit names of 25 prospects weekly. Cold canvass is suggested as being good now. Two cold canvass calls a day suggested. Opener on cold canvass: Does it pay you to make friends in your business from time to time? No attempt made to sell on first interview.

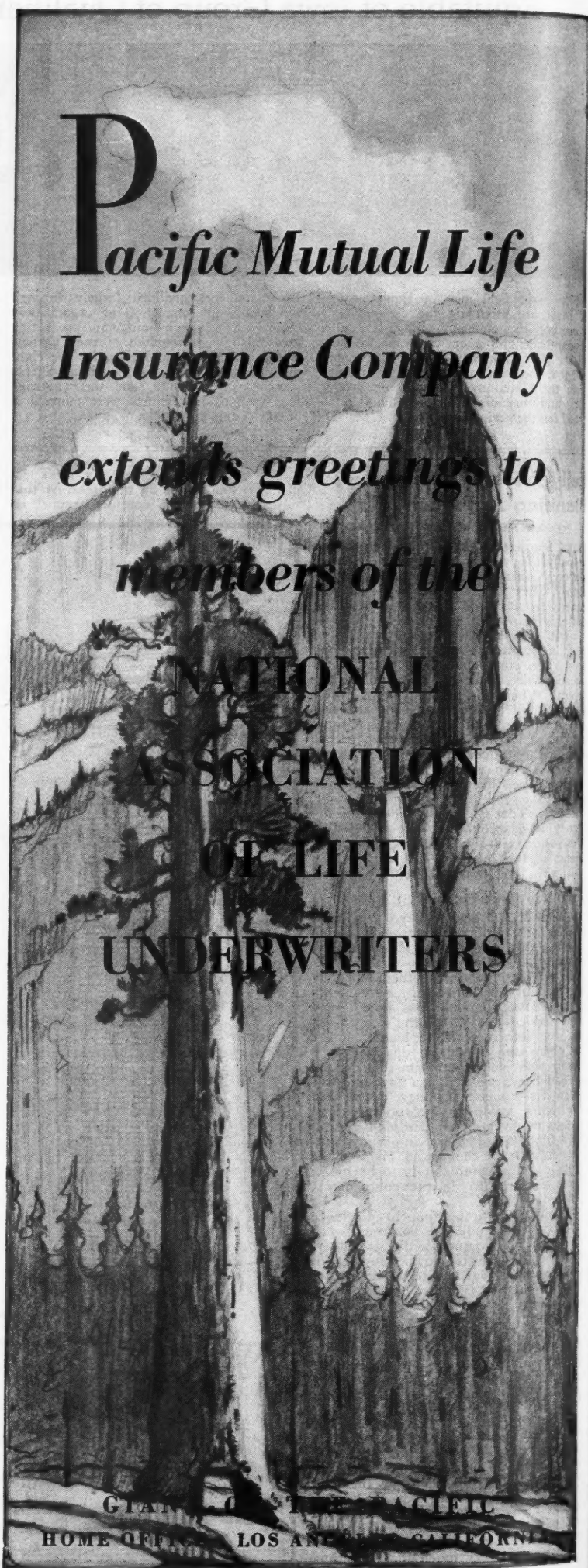
Doing Recruiting Accidentally

Mr. Rothaermel: In answer to the question, "Why does recruiting seem so difficult?" the average general agent or supervisor is doing his recruiting job accidentally rather than on purpose. Life insurance has always had competition for men. Pacific Mutual goes the whole way, uses aptitude test and others. Such tests are very helpful. They are, however, likely to penalize the younger man who does not have as mature a judgment as he would have later in life.

Mr. Stotz: In financing men, we should have nerve to stop when judgment tells us to stop. A \$110,000 producer who balances his budget is a better man than a \$1,000,000 producer with a \$5,000 deficit. Never had a failure with a man who had consistent weekly production. Failures don't occur when the man is fundamentally sound financially.

Shirt Sleeve Sessions

The Cincinnati weather was somewhat unkind. The temperature got into the nineties and there was the usual amount of grousing. Wednesday afternoon the session was held in the roof garden of the Gibson Hotel, which is ordinarily air conditioned, but the machinery broke down, and it was a shirt sleeve session.



Pacific Mutual Life Insurance Company
extends greetings to
members of the
NATIONAL ASSOCIATION OF LIFE UNDERWRITERS

HOME OFFICE: LOS ANGELES, CALIFORNIA

TWO FOLD CONGRATULATIONS

TO SALESMEN OF THE

LAFAYETTE LIFE INSURANCE COMPANY

LAST YEAR we congratulated our salesmen for producing the largest August volume in the history of our company.

THIS YEAR we congratulate them for beating last year's record.

THIS DIDN'T JUST HAPPEN . . . THERE IS A REASON

If interested in details of an outstanding General Agent's contract direct with a Home Office, write to—

RANDALL G. YEAGER

Superintendent of Agencies

THE LAFAYETTE LIFE INSURANCE COMPANY

LAFAYETTE LIFE BUILDING

LAFAYETTE, INDIANA

New agency development now getting under way in OHIO, ILLINOIS and IOWA

Greetings from

SCRANTON LIFE INSURANCE COMPANY

SCRANTON, PA.

WALTER P. STEVENS, President

Los Angeles Greets

THE NATIONAL ASSOCIATION
OF LIFE UNDERWRITERS

The Managers and General Agents of Los Angeles, shown on this page, take this means of extending felicitations to the N. A. L. U. assembled in Cincinnati.

We congratulate this great life insurance organization on its progress.



● CABRILLO BOULEVARD, THE WIDE BEACH THOROUGHFARE OF SANTA BARBARA AND THE MAIN HIGHWAY SOUTH TO LOS ANGELES.

WALTER J. STOESEL

GENERAL AGENT

WALTER M. SAINT, JR.

Associate General Agent



**NATIONAL LIFE OF
VERMONT**

Southern California Agency

609 S. GRAND AVE.

LOS ANGELES

THE SIEGMUND AGENCY

WILLIAM H. SIEGMUND, General Agent

E. G. WALLS, JR., Agency Manager

ROBERT S. NORTHINGTON, Brokerage Supervisor



609 S. GRAND AVE.

LOS ANGELES

THE UNION CENTRAL LIFE INSURANCE CO.

MARK S. TRUEBLOOD

Manager

HENRY E. BELDEN

Associate Manager

SOUTHERN CALIFORNIA AND ARIZONA

609 S. GRAND AVE.

LOS ANGELES

JOHN W. YATES

AND ASSOCIATES

**MASSACHUSETTS MUTUAL LIFE
INSURANCE CO.**

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LOS ANGELES

111 SUTTER ST.
SAN FRANCISCO

THE PROUTY AGENCY



PHINEAS PROUTY, JR., AND ASSOCIATES
530 W. SIXTH ST. LOS ANGELES

W. K. MURPHY

GENERAL AGENT

**NORTHWESTERN MUTUAL LIFE
INSURANCE CO.**

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LOS ANGELES

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GENERAL AGENT

J. F. HACKMAN

Associate General Agent

**THE LINCOLN NATIONAL LIFE
INSURANCE CO.**

"LINK UP WITH THE LINCOLN"

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GENERAL AGENT FOR SOUTHERN CALIFORNIA

**JOHN HANCOCK MUTUAL LIFE
INSURANCE CO.**

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LOS ANGELES

ROY RAY ROBERTS
General Agent

L. S. ROBERTS
General Agent

ROY RAY ROBERTS AGENCY

GENERAL AGENTS—SOUTHERN CALIFORNIA

**STATE MUTUAL LIFE ASSURANCE CO.
of Worcester, Massachusetts**

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LOS ANGELES

HAYS & BRADSTREET

GENERAL AGENTS

**NEW ENGLAND MUTUAL LIFE
INSURANCE CO.**

of Boston

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LOS ANGELES

CHARLES E. CLETON, C. L. U.

GENERAL AGENT

**OCCIDENTAL LIFE INSURANCE
COMPANY**

530 W. SIXTH ST.

LOS ANGELES

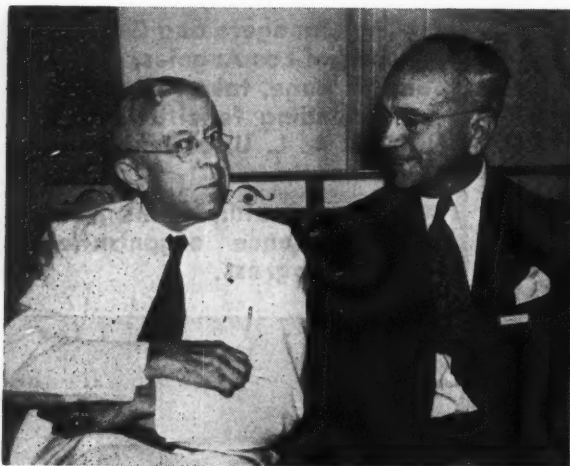
WILMER M. HAMMOND

GENERAL AGENT

**AETNA LIFE INSURANCE
COMPANY**

10TH FLOOR, 810 SPRING ST.

LOS ANGELES



R. U. Darby, Massachusetts Mutual, Baltimore; and Caleb R. Smith, Massachusetts Mutual, Asheville, N. C., at Million Dollar Round Table session; H. G. Saul, John Hancock, Los Angeles, president California state association; Roy Ray Roberts, State Mutual, Los Angeles, national trustee; Joseph Charleville, secretary Los Angeles association.

Buckley Shows How He Gets 15 Minute Interviews

(CONTINUED FROM PAGE 10)

you don't lose your money, if, if, if. Did you ever think of this, that the very heart of life is if? My job is to pass along ideas that other men have used successfully to take the if out of life, to crystallize the vague, nebulous hopes for the future into objectives to be attained, to formulate plans which will guarantee that these ambitions will be realized, and to revise and adjust these plans as changing conditions require.

Widing: Well, suppose you drop back to see me in a few months. We'll go into it then.

Wants Peace of Mind

Buckley: I'll be glad to, but isn't this a fact: Every man wants the peace of mind that comes with having a program that guarantees the realization of his ambitions. Everyone would like increased spendable income today or increased income tomorrow for himself or his family, but not everyone wants these things badly enough to abandon his present state of complacency. It takes courage to look ahead and lay plans for the future. A lot of men would rather concentrate on enjoying the scenery than to learn whether they are traveling the road that will get them where they want to go.

Must Have Prospect's Confidence

If you are to benefit by any of my ideas you should have enough confidence in me that you'd be willing to treat me as you would your doctor, your lawyer, or an engineer who was surveying your plant, to tell me what I'd have to know about you, being certain that I would never abuse that confidence. Also, it takes a little time. I'd like to have a preliminary discussion with you for about 15 minutes and then later on perhaps an hour to go over the report I'll make to you. There are some men who spend 5,000 hours a year thinking about their business, who plan every business detail for months and years ahead, who don't want to spend 20 minutes to consider how they can increase the effectiveness of their present income, the income that they're spending the 5,000 hours to create.

Widing: What is this service going to cost?

Explains Fee Wanted

Buckley: I charge a fee but one I know you will be glad to pay. If, when we're through, you have acquired the same enthusiasm for the type of work I do that other clients of mine have, I'll expect you to want to do what they have done, make it possible for me to meet some of the men of your acquaintance who you believe would make good clients for me. That's all the fee you pay. Then, there must be this agreement between you and me. If, as a re-

sult of our discussion and any analysis and report I make, you should decide that the immediate or deferred purchase

of life insurance or annuities would guarantee a certain result better than any other way, you would make the pur-

Qualities Needed to Build Morale

The entire day's discussions on building agency morale at the general agents and managers sessions Tuesday were summarized by John Marshall Holcombe, Sales Research Bureau.

Mr. Holcombe believes that there are four essential qualifications for the manager or general agent who seeks to build lasting high morale in his agents:

(1) A manager must have the proper point of view toward his agents. He must put the success and well-being of his agents first. His own success must be less important to him than the success of each agent in his agency—not just his newer agents, but all of them. In other words, he must realize that lasting success can come to him only if his agents are successful.

(2) The second essential for a manager who would build morale is a thorough

(CONTINUED ON PAGE 44)

chase through me as your agent. Is that fair?

Widing: Indeed it is.

Buckley: Shall we take the 15 minutes now?

**PROTECTING MORE THAN
ONE MILLION
PEOPLE ON THIS CONTINENT**

Since commencing business in 1892, the Company's payments to policyholders and dependents have exceeded \$220,000,000.00 while Business in Force has grown to over \$640,000,000.

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE ... WINNIPEG

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Bargain Educational Appeal Interests Busy Prospect

An educational approach that gets results was presented by Oscar E. Carlin, John Hancock Mutual Life, Columbus, O., before the Million Dollar Round Table hour with M. M. Matusoff, Mutual Benefit, Cleveland, serving as the busy prospect who couldn't afford any more life insurance. The sales talk used by Mr. Carlin follows:

Mr. Carlin: Good morning, Mr. Matusoff. I am Oscar Carlin of the John Hancock Mutual Life. Both my company and my general agent, Ralph Hoyer, whom you may know, want me to see you and discuss with you four specific items which I have listed on this card. Do you have a few minutes now, or would you rather make an appointment?

Mr. Matusoff: Oh, yes, I know Hoyer. Well, Mr. Carlin, what's it about? I'm very busy this morning.

Mr. Carlin: I'm not unmindful of that, Mr. Matusoff; I know what it is to be busy. Perhaps we'd better discuss these items one at a time, in the order I have listed them. It will take only a few minutes.

Presents List of Clients

Mr. Matusoff, I know you are not in the habit of confiding your business to strangers; therefore, I want to get acquainted with you through our mutual friends. Here is a list of some of my most valued clients, and a few testimonial letters. All of these people have authorized me to use their names, so you are free to ask any of them about me and my work. Just glance through the list, and I'm sure you will know a number of them intimately.

Mr. Matusoff: Oh, yes, I know a lot of them. Here are a couple of my best friends. I played golf last Saturday with Dick Brown, and I had lunch with Jack Worthington yesterday. You have some good testimonials there, Mr. Carlin. Do you mean that you have done business with all those people?

Must Have Qualifications

Mr. Carlin: Yes, sir, and that's only a few of them. Mr. Matusoff, I call only on people I know something about and who have certain definite qualifications.

Mr. Matusoff: Well, whatever those qualifications are, I can tell you now—I can't afford any more insurance.

Mr. Carlin: It's an interesting fact that nearly every one of the people on that list said almost the same thing when I first saw them.

Mr. Matusoff, you have unusual initiative or you wouldn't be where you are. You have unusual training and experience or you wouldn't be where you are. With those extremely valuable assets, Mr. Matusoff, you have every reason in the world to look into the future with real confidence and optimism.

Mr. Matusoff: Things are a little too uncertain to be very optimistic right now, aren't they?

Mr. Carlin: That's the very reason I want to talk with you. You will have to agree that, even if we assume the very worst economic conditions, you, with the qualifications you have, will be doing well long after millions of other

people have starved to death. With your ability, there are only two things which can stop your future success—loss of health, or loss of life.

I know you have worked hard and long, and sacrificed much, to attain your present position. Your family shares that position with you, and I know you don't want to let them down, no matter what may happen. There is only one way in the world to guarantee the continuance of their present standard of living, and since you are a thrifty man anyway, Mr. Matusoff, the solution is very simple. Financially speaking, it is only a matter of bookkeeping. You save on this side of the ledger, instead of on that side.

Groceries for Years to Come

If you save on this side, only what you have deposited counts when you close the books. But if you save on the other side, no matter when you have to close them, you will have ordered the groceries for years to come, you will have made secure the education of your children—and that is one of the most important things you can ever do for Bobby Jim and Linda Ann. That is the first item on this card. You intend to give your children an education, don't you? Have you ever figured up just what it takes to get them up to college age and through college?

Mr. Matusoff: No, I haven't. I guess I really should think about it.

Mr. Carlin: Have you figured out just what a college education is worth to them?

Mr. Matusoff: Well, not exactly, although I want them to have one.

\$130,520 for \$250

Mr. Carlin: If I pay you \$250 per year until Bobby Jim is 20 years of age, will you pay me \$130,520? Based on life expectancy, this amount is the total difference between the incomes earned by the trained and untrained men, according to a study made by the college of business administration of Boston University. Of course not. Well, then, would you be willing to save and deposit \$250 per year until Bobby Jim is 20 years of age if you would be guaranteed that nothing would cheat him out of the education which will be worth \$130,520 to him? Bobby Jim's educational security is his economic security. Where in this world can you save and invest \$250 each year that will give you that kind of return? Isn't this matter just too important for chance-taking? Don't you want to do something about it now?

Mr. Matusoff: Well, I have never thought of it in just that way. I would like to hear your plan.

T. M. Riehle Visits Zoo

Theodore M. Riehle, Equitable Society, New York, past N. A. L. U. president, and chairman of the convention program committee, was accompanied by his son, Theodore, Jr., who is a student at Choate school. This meant a trip to the Cincinnati zoo for Theodore, Sr., who when alone is rarely found at such places.

AMICABLE GREETINGS

TO

52nd

ANNUAL CONVENTION

OF THE

NATIONAL ASSOCIATION OF LIFE UNDERWRITERS ASSEMBLED IN CINCINNATI



AMICABLE LIFE INSURANCE CO.

WACO • TEXAS

GENERAL AGENCY OPENING

Prominent company writing non-cancellable accident and health and legal reserve life insurance is desirous of securing applications for General Agency appointments in the states of Illinois, Washington and Eastern New York from successful accident and health and life insurance salesmen who have the ambition and energy to establish a General Agency of their own. Write Box O-11, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill., outlining qualifications. All replies treated in strict confidence.

Defense Bond Sale Subject of Luncheon Parley

Ralph Engelsman, Penn Mutual, New York, presided over a meeting of state secretaries and others especially interested in the marketing of defense savings bonds throughout the country. The luncheon and discussion was attended by about 85.

After reassuring the group that the sale of defense bonds is in no way competitive with life insurance because it regulates inflation by lowering consumer demand Chairman Engelsman proceeded to explain in detail a plan which had been prepared to aid in organization of life underwriters who are offering their time to the local and state citizen committees responsible for the local marketing of defense bonds.

The guest speaker was Gale F. Johnston, field director defense savings staff. Mr. Johnston is a national trustee and group supervisor of Metropolitan Life in St. Louis in private life. He gave great weight to the difference between the present manner of presentation of defense bonds and the marketing of similar bonds during the first world war. There will be no high pressure sales effort, no time limit and in fact no coercion whatsoever. They will be handled with business dignity over a long period of time. It is to be greatly desired that the savings bonds will instill in the public a habit of thrift by their regular weekly and monthly savings incentive.

Mr. Johnston also told of the general organization of the Treasury department for the marketing of defense bonds. An administrator will be selected in each state who will in turn select a vice-administrator, the only paid member of the set-up. A state and local committee will be chosen from a broad and representative section of the public. It is to



Alexander E. Patterson, vice-president of Mutual Life, getting it straight from Rene Banks, general agent at Cleveland for Penn Mutual; Louis Gross, Minneapolis general agent of State Mutual, and Frank Vesser, St. Louis manager Reliance Life.

these local committees who will assume the responsibility for the sale of savings bonds in their community that the life underwriter associations will offer their professional services.

Progress in C. L. U. Work Reported at Annual Meeting

At the annual meeting of the American Society of Chartered Life Underwriters, Benjamin Alk, Penn Mutual, New York, the retiring president, reported widespread progress in C. L. U. chapter activities. He pointed out the extension of regional and local seminars conducted by local chapters. He reported progress in public relations activities through a joint committee of the American College and American Society.

Treasurer Edward A. Krueger presented a report on finances and membership. The American Society increased its surplus substantially in 1941, he reported. The officers of the society were authorized to invest a portion of the society's funds in series F defense bonds.

Mr. Krueger reported that the society attained a new high of 1,304 in paid membership, exclusive of 167 candidates in 1941, which is approximately 77 percent of potential members holding the C. L. U. designation and engaged in life insurance or allied vocations.

Dr. David McCahan, secretary, reported widely increased interest and development in the formation of C. L. U. associations in life companies, now numbering 13.

President Moynahan presided at a meeting of the new officers and directors immediately following the annual

meeting. A committee of directors was appointed to arrange for the publication of a yearbook and directory.

Arnold and Appleby at Luncheon for A. W. Hawkes

President O. J. Arnold of the Northwestern National Life and President T. W. Appleby of Ohio National Life were guests at a luncheon given by prominent Cincinnatians in honor of Albert W. Hawkes, president of the United States chamber of commerce. Mr. Arnold is a former director of the chamber.

The luncheon was in charge of E. W. Edwards, president of the Fifth-Third Union Trust Co. Mr. Hawkes was introduced by W. F. Eberle, president of the Cincinnati chamber of commerce.

He spoke informally on "Practical Americanism."

Chicago Party for Hobbs

Walter N. Hiller, president of the Chicago Life Underwriters Association, gave a cocktail party Wednesday evening for the Chicagoans at Cincinnati. This was in the nature of a home town sendoff to Philip B. Hobbs, Equitable Society, candidate for trustee.

INVESTMENT IN FREEDOM

Political freedom means little to the man who has lost his economic independence. Our first step in maintaining the American way of life, therefore, is to place our own house in order. Fidelity made an outstanding contribution to the solution of this problem when it originated the "Income for Life" plan in 1902.

"Income for Life," potent though it is in its sales appeal, and basis of Fidelity's successful direct mail service, is only one item in a complete sales kit which includes also Modified Life, Family Income, Family Maintenance, Modified Income for Life, Disability Income, Term to 65, Juvenile, Standard and Sub-Standard.

Fidelity has won a reputation for friendliness to its agents, but its friendliness also to its policyholders is the foundation upon which its field has profitably built for more than sixty-three years.

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

LIFE INSURANCE PLANS THAT ARE GEARED TO THE TIMES

BY CONSTANTLY revamping policies to meet the new demands brought about by the country's changing economic and social life, American United Life is keeping more than abreast of the times. They're geared to the future.

'41 planning is looking toward '51 and '61. Policies delivered today are designed to meet present requirements as well as to serve in the years to come. They'll stand the gaff and do the job for which they're created.

Nowhere is there to be found a more comprehensive line of both participating and non-participating policies.

And for agents there's a tested plan whereby large renewal commissions are received during the early years of each policy.

AMERICAN UNITED LIFE INSURANCE CO.
INDIANAPOLIS ... INDIANA

SEE OUR DISPLAY

MEZZANINE FLOOR

GIBSON HOTEL

The **NATIONAL
UNDERWRITER**

The Diamond Life Bulletins

SALESMANSHIP SECTION (Seven Volumes)—Subjects: Prospecting; Time and Work Control; Sales Talks; Programs and Audits; Settlement Options; Federal Income, Estate and Gift Taxes; State Inheritance, Estate and Gift Taxes; Wills; Estate Planning; Business Insurance and Annuities. Practically every sales problem encountered today may be solved by a study of this work. Monthly Supplements temporarily bound for Agency study. Monthly review of current tax cases decided by the courts.

STATISTICAL SECTION (Four Volumes)—The only monthly loose-leaf Service, giving rates, dividends and surrender values for all ages on 47 leading companies writing about 85% of the total business. Special clauses and special policies quoted verbatim. Always up-to-date. Complete, convenient, a time saver, a necessity in analyzing policies, a sure way to keep well informed. This Service has been in use in most of the progressive Agencies for twenty years.

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(Three Volumes)

An abridged edition of the Salesmanship Section of the Diamond Life Bulletins for Agents, Supervisors and Assistant Managers. Brief, practical—full of selling ideas gathered from everywhere. Loose-leaf system with Monthly Supplements.

THE UNIQUE MANUAL—DIGEST

All About COMPANIES

"3 in 1"

All About CONTRACTS

All About RATES, OPTIONS

Only \$5⁰⁰

VALUES, COSTS, Etc.

THE LITTLE GEM LIFE CHART

Only Book of its kind, showing BOTH
"New" & "Old" Settlement Option Incomes

First
in its field

—in scope of information shown
—in number of companies covered
—in features of special interest

First
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Largest Circulation of any small reference book!

THE ESTATE-O-GRAPH

the monthly rotogravure that sells
life insurance by means of pictures!

- Paves the way for you—breaks down sales resistance
- Sells the "need" before you make the call
- Reinforces your verbal presentation with pictures
- Shows new uses for life insurance by striking illustrations
- It always gets in—sometimes when you cannot.
- It is persistent, brief, but convincing

Ask Any National Underwriter Man!

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Recent "Best Sellers"

Corporation & Partnership Insurance	Simon	Sensible Selling	Coffin & Engelsman
Planning & Selling The Basic Estate	Pirnie	Selection of Risks	Dingman
Calling the Life Underwriter....	Cluff	Young Man—Here's How to Sell Life Insurance	Golden
The "C. L. U." books—The famous "Duryea" books, and many others!			
Stop at the Booths—your chance to "look them over"			

The "NATIONAL UNDERWRITER" Weekly

All the news of your business, national
and local—while it's real news!

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The Insurance Salesman The Industrial Salesman
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Philadelphia

Detroit

Boston

Need Positive Inflation Check

(CONTINUED FROM PAGE 6)

even under the best of circumstances is very difficult to curb and control.

"Many farm leaders have adopted the same attitude. Not satisfied with the billions of dollars given to the farmer by the government in recent years in order to keep farm prices at a higher level than was warranted by demand and supply factors, they are pressing for higher and higher prices of farm products. An analysis of commodity prices during recent months would indicate that the greatest increase occurred in farm prices.

"This sharp increase in agricultural prices occurred in spite of the fact that the volume of agricultural commodities in the U. S. is exceedingly large and that the government is confronted with the serious task of financing and carrying the surplus. These selfish interests constitute perhaps a much greater danger of inflation than the economic forces at work."

EFFECT ON INSURANCE

In pointing out the effects of inflation on life insurance, Mr. Nadler declared that if the economic forces are permitted to run their course and particularly if the demands of the pressure groups are not halted, prices of commodities will rise sharply and the country will go through the painful process of inflation. Inflation is detrimental to the creditor class but favors the debtor class. Holders of life insurance policies and beneficiaries are the largest single group of creditors in the country. While the amount of money expressed in dollars received by the creditor remains unchanged, inflation reduces the purchasing power of the money. The higher the prices of commodities and the cost of living, the lower will be the real return on life insurance policies. As a specific example, Mr. Nadler said, if a man thought that an annuity of \$5,000 would be sufficient to meet his needs, an increase of 100

percent in the cost of living would automatically cut his purchasing power in half and he would be in the same position as if he had bought only a \$2,500 annuity, if the price level had remained relatively stable. Furthermore, if inflation should develop, and particularly if it should become permanent, then the provisions made by many heads of families to protect their dependents will not be sufficient, the standard of living of the latter will have to be curtailed drastically, and many families might not be able to continue with the education of their children as was planned at the time when the policies were taken out.

Call For Cash Values

"Not only would the policyholders and beneficiaries be adversely affected by inflation but also the life insurance companies might suffer materially. Once prices begin to rise sharply and it becomes evident that inflation cannot be avoided, many people will endeavor to hedge against inflation to the best of their ability. The main principle of hedging against inflation is not to be a creditor nor to hold any evidences of debt but rather to be a debtor. Once inflation sets in, the debtor is able to repay his obligations in cheaper dollars. Many individuals, therefore, might borrow from insurance companies the cash surrender value of their policies in order to buy commodities or equities which they consider as hedges against inflation. Hence, if the threat of inflation should become real, life insurance companies may find themselves confronted with a great demand for loans on the part of the policyholders.

Demand For Term

"The sale of life insurance may decrease substantially. Not knowing what the ultimate purchasing power of the dollar might be, many people might hesitate to buy life insurance fearing that while they pay dollars with a relatively high purchasing

power they may receive depreciated dollars. But even those who buy life insurance under these circumstances would stress the importance of protection and neglect the element of saving. Hence, if inflation should develop, it might cause a great shift from all types of life insurance policies to term insurance. It is also possible that many people might even cancel their life insurance policies and ask for the cash surrender value. In general, therefore, inflation would not only be to the detriment of policyholders and beneficiaries but might also have a serious effect on the business of life companies.

"It is, therefore, obvious that inflation threatens not only the savings and protection of policyholders and of beneficiaries, but also the very existence of the life insurance companies themselves which play such an important role in our economic life."

INFLATION CHECKS

While the economic factors working for higher prices are pronounced and are further aggravated by the demands of certain pressure groups, there are also a number of forces that are working against inflation. Mr. Nadler summarized these as follows:

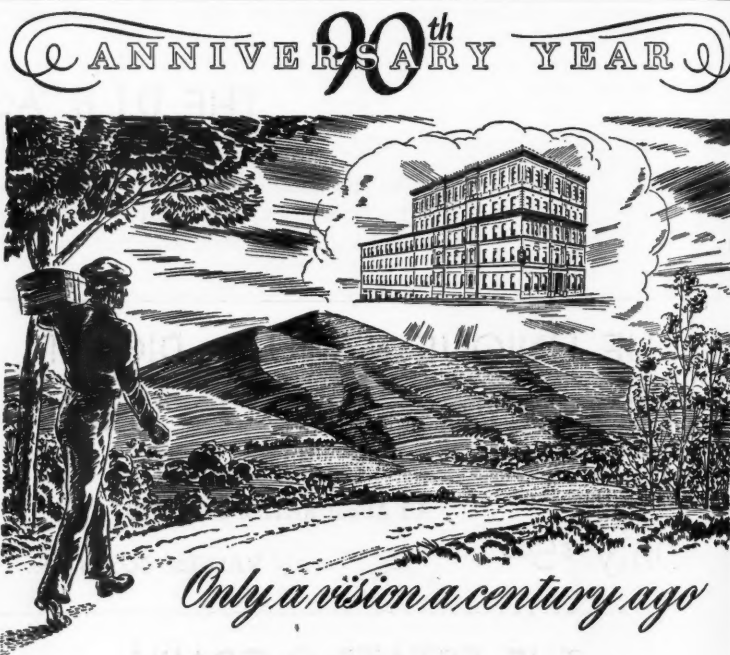
"1—Taxes: Taxes are already high and

in all probability will increase. Taxes are the most deflationary force in the country and will affect particularly those with an income of \$5,000 and over. The tax measures taken by the administration, however, are not as yet sufficient. Taxes should be broadened in order to include as large a portion of the population as is possible. This is necessary not only for the purpose of raising revenue but also for the purpose of reducing the purchasing power in the hands of the people.

Action on Installment Selling

"2—Control Over Installment Selling: The board of governors of the Federal Reserve System has already been given the power to control installment selling. This is of particular importance because installment selling deals primarily with the financing of durable consumers' goods. These commodities such as automobiles, electrical equipment, etc., come in the most direct competition with the war materials. It is to be expected that the board will use the newly granted powers for the purpose of reducing the demand for this type of commodity.

"3—Price Control: The government has established agencies for the purpose of rationing commodities and in some instances for fixing prices. The rationing is exercised through priorities which deal



When as a youth George Nixon Briggs (founder and first president of the Berkshire Life) returned to his home among the Berkshire hills over a century ago, his mind teemed with ideas and a desire to study law.

He was able to accomplish this desire through the assistance of an elder brother, who died shortly afterwards, leaving a widow and four infant sons in an impoverished condition. The responsibility of caring for them fell to young Briggs, and this brought forcibly to his mind the great need for life insurance. On this idea he pondered for several years.

From a humble beginning, as a Berkshire blacksmith's son, Briggs rose to become a successful lawyer, six times member of Congress, and seven times Governor of the Commonwealth of Massachusetts.

In the year 1850, when his last term was drawing to a close, Governor Briggs consulted on his favorite topic with Elizur Wright, father of American life insurance. On May

15th of the following year the Berkshire Life was born.

Credit for growth and development during the past 90 years belongs to many people—to the men and women, past and present, whose loyalty, ability and industry have served the Berkshire so well. In this, our Anniversary year, the efforts of this loyal group have resulted in the greatest single yearly increase of business in the annals of the Company.

We believe today, as did our founder, that life insurance is a business to be operated on sound principles; that change is inevitable to progress, so long as the fundamental principles which give consistency of purpose to the organization continue to remain unchanged; that each policyowner should be served to the utmost with all we have to offer in every department of our business.

It is on the past, of which we are justly proud, that we of the Berkshire base our confidence in the future.

Our New ARROW of GOLD POLICY Provides—

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH

"Ask any **BERKSHIRE** Associate"
LIFE INSURANCE COMPANY
INCORPORATED 1851
FRED. H. RHODES, President
PITTSFIELD, MASS.

primarily with those commodities of which there is a shortage. It is obvious that the war industries have a prior claim on these commodities and that insufficient quantities are left for the demands of consumers' goods industries. Hence, if the government did not intervene, the remaining commodities would go to the highest bidder and the price of these goods would rise sharply. To avoid this the government has fixed the prices of these commodities. Legislation to give the government greater control over price fixing has been introduced. However, in its present form the bill does not authorize the government to stabilize wages. Without a ceiling on wages price control becomes exceedingly difficult.

Seek To Increase Saving

"4—Efforts are being made by the government to increase the savings of the nation. National defense obligations are being offered to suit every purse. This effort of the government deserves the assistance and support of every citizen of the U. S.

"5—The supply of agricultural commodities which form the basis for food in the U. S. is large, and exports cannot even under the best of circumstances be as great as during the last war.

"6—Production in the U. S. is at a high level and measures have been taken to further increase the productive capacity of the country. It is, however, questionable whether the output of national defense articles can be increased and sufficient quantities of durable and non-durable consumers' goods be produced and at the same time maintain the 40-hour week."

In order to avoid inflation in this country, Mr. Nadler held the following measures are necessary:

"1—To widen the tax burden to embrace as many people as possible and if necessary, to impose a sales tax. The higher the taxes the smaller the deficit of the government and the smaller will also be the amount of purchasing power in the hands of the people.

"2—To stabilize wages in relation to the cost of living. Real wages already are high

and hence no hardship would be imposed on the laboring people of the U. S. if their wages were tied up to the cost of living. Such a measure would eliminate to a very considerable extent the danger of a spiral between prices and wages.

Reject Pressure Bloc Demands

"3—To reject the demand of the pressure groups, particularly of the farm bloc, to increase sharply prices of agricultural commodities by government action. Farm prices during the last few months have shown a substantial increase. Farm income is mounting and the discrepancy between prices of farm products and those of commodities which the farmer buys has to a considerable extent been wiped out. Further bounties to the farmer at the expense of everyone else would be highly dangerous.

"4—Wholehearted cooperation on the part of the people, and their approach to the present situation from a sane and patriotic point of view. This involves no hoarding on their part and no accumulation of stocks because of fear that later on these commodities may not be available. Above all no panicky attitude toward the future value of the dollar should be adopted. This means no unnecessary liquidation of high-grade obligations, cancelling of insurance policies. The fact should not be overlooked that even if prices go higher, they will not always remain high and that at the end of the present emergency a period of deflation is bound to ensue.

Stimulate Savings

"5—Stimulate the savings of the people to reduce their purchasing power. In fact it makes very little difference whether the people buy national defense bonds or new insurance policies because under present conditions insurance companies have placed a large portion of their income in government obligations.

"6—Cutting of unnecessary expenditures by private individuals as well as by governments. In spite of the constant increase in national defense expenditures and the huge budgetary deficit which confronts the

nation the Congress has not as yet adopted any economy measures. It is high time that they awaken to the emergency and cut all those expenditures not connected with national defense.

"If the above measures are taken by the government and by the people of the U. S. as a whole, there is every reason to believe that the danger of inflation in the U. S. will be eliminated. To be sure, as a result of the increase in purchasing power and the necessary reduction in the output of certain types of commodities, prices will rise; but the purchasing power of the dollar will continue to remain high."

Tax Savings Appeal to Widows Is Outlined

(CONTINUED FROM PAGE 10)

difficult thing to take a large amount of money out of your estate at one time so we've arranged to take your money out on an installment plan rather than in one large lump sum. For instance, it could be paid at the rate of \$5,000 per year rather than \$75,000 all at one time." That again would be helpful, wouldn't it?

Prospect: Well, it's always hard to raise a large amount of cash at any one time; the market may be wrong.

Mrs. Hoffman: Well then, finally, if Mr. Morgenthau said to you, "In the event you should die before this tax bill has all been paid at the rate of \$5,000 per year, we would simply mark the whole thing paid and not ask your children to go on and pay the balance." Do you think you would accept Mr. Morgenthau's proposal to you?

Prospect: That sound almost too good to be true but I don't see what that has to do with life insurance.

Mrs. Hoffman: That's just the kind of a plan I have arranged for several Cincinnati women whose position is certainly the same as yours. They have arranged to pay their estate and inheritance taxes on the installment plan with the guaranty that the whole bill will be paid in the event of their death and I am sure that when you see just how it works out and guarantees that your children, because of your foresight and good judgment, will receive the full estate which their father created, you'll be happy indeed to have the plan if you can only qualify for it.

James E. Bragg, New York City manager Guardian Life, who arranged the program for the American College hour, was unable to be present due to illness.

BUILDERS of MEN

FOR fifty-two years, the National Association of Life Underwriters has played a most important part in building prestige for the institution of life insurance and for the men who represent it.

SO it is, then, that Guarantee Mutual Life's agency building plan slogan "BUILDERS OF MEN" is applicable to that great life insurance organization.

A. B. OLSON, Agency Vice-President

GUARANTEE MUTUAL LIFE COMPANY

OMAHA, NEBRASKA

ORGANIZED 1901



**FRIENDLY
PROGRESSIVE
STRONG**

Galveston, Texas • W. L. Moody, Jr., Pres.

Strong Talent is Provided

(CONTINUED FROM PAGE 5)

key back. Since many of the association dignitaries are scheduled to compete, the crowd will be prepared with hisses and catcalls. This stunt was originated by J. M. Gantz of Pacific Mutual and he promises superb comedy and tragedy.

Despite the fact that last night was one of revelry at the President's reception and ball, the conventioners made an especial effort to get up in time for the session Thursday morning because of the strong program that had been arranged. Usually the Thursday morning session is sparsely attended at the beginning but this year the auditorium was well filled.

Effective Staging

Effective staging was again arranged for the Thursday morning session. To get the convention in spirit music was furnished by the WSAI (WLW) male quartet, the Williams Brothers. Special backdrops with college campus motif were given for the American College hour and there was still another stage setting for the Million Dollar Round Table hour.

The marked progress made by the American College of Life Underwriters during the past year was reviewed by Julian S. Myrick, New York City manager Mutual Life of New York, who presided during the American College Hour in his role as chairman of the college's board of trustees. There are now 2,057 C. L. U.'s, 212 having qualified this year, he reported.

In his able analysis of the interest rate situation, A. J. McAndless, president Lincoln National Life, came out for the liberalization of the laws to permit life companies to invest a limited percent of their funds in shares of established and successful industrial enterprises. He predicted continuation of the low interest rate levels and pointed to factors which demonstrated

that the present emergency defense financing program will not have a substantial effect upon long term interest rates.

He said the nominal rate of interest has come about because of the copious supply of funds available for lending and because the government by intrusion in the field of private enterprise has taken over part of the risk bearing element which formerly existed in the market rate of interest. Mr. McAndless predicted that this is probably a permanent change in the country's economy.

Although the dire effects of inflation can be avoided, corrective action is essential, Marcus Nadler, professor of finance, New York University, and consultant economist, Central Hanover Bank and Trust Co., New York, declared. Life agents who are contacting millions of policyholders are in position to render effective aid in fighting the menacing forces of inflation, he pointed out. Problems involved in combatting economic forces and pressure groups working for inflation were analyzed by Mr. Nadler.

President Lewis W. Douglas of Mutual Life, a leader with most profound convictions, stirred the audience to its collective marrow with a message to the effect that all else is naught so long as the menace of Hitler exists. With magnificently conceived phrases, historical allusions, poetic flashes, philosophical observations, Mr. Douglas made a compelling argument for his stern conclusion that the people must prepare for lengthy, severe dislocation of their lives in accomplishing the destruction of Hitler. Life insurance, he asserted, is based upon the four freedoms and it could not thrive in a world dominated by the dictators.

Round Table Hour

H. Kennedy Nickell, Connecticut General, Chicago, was the presiding officer

of the Million Dollar Round Table hour which featured nine members of that inner circle of life insurance recounting their approach technique in dialogue form. It was probably the best perfected reflection of the round table that has been offered at a national convention. In the old days there were staged what were termed "echoes" of the Million Dollar table, but these were largely impromptu appearances. Each of the participants had prepared carefully this year and had his story well in hand.

The audience got a lot of hints not only from what was said by these most successful practitioners but they had a good opportunity to judge the personality characteristics that count so heavily in life insurance success.

Bargain Educational Approach

By showing a prospect how his son can realize \$130,520 from a \$250 a year investment until the son is 20, Oscar E. Carlin, John Hancock Mutual Life, staged an effective educational insurance approach. M. M. Matusoff, Mutual Benefit, Cleveland, portrayed the part of the busy prospect who couldn't afford to buy additional insurance but became interested in a definite plan for providing educational funds.

Thomas D. Harvey, Mutual Life, Chicago, a former vice-president of Massa-

chusetts Protective, who gained especial recognition when he wrote the famous Walgreen case, was the next "millionaire" to reveal his technique. He is a man who has come to the fore in the past few years without pyrotechnics, but on the basis of solid achievement.

Louis Behr, Equitable Society, and W. N. Hiller, Penn Mutual, both of Chicago, put on a sketch, cleverly written and staged, depicting the case of a real estate man who had invested all his money in realty as a hedge against inflation and was shown how that situation creates a need for more life insurance.

The only woman Million Dollar Round Table member, Mrs. Sis Hoffman, Union Central Life, Cincinnati, then presented her wealthy widow approach with Helen Summy, Equitable Society, St. Joseph, Mo., as the prospect. To enable the prospect to better visualize the tax savings plan, Mrs. Hoffman presented it as if it were being made by Secretary of the Treasury Morgenthau.

An unusually clever skit was staged by William T. Earls, Cincinnati general agent Connecticut Mutual Life, with the assistance of Marvin Sherman, Equitable Society, Los Angeles. Mr. Earls had read in the newspaper about Mr. Sherman's automobile accident and he approached him on the basis of the complications

Greetings N. A. L. U.

The officers of this company appreciate your splendid help and influence in making Life Insurance the symbol of financial independence.

We constantly encourage membership on the part of our agents, and many of them are attending this Convention.

When you meet an Indianapolis Life Man, you will find him well-informed, ethical and friendly.

INDIANAPOLIS LIFE INSURANCE CO.

A LEGAL RESERVE, MUTUAL COMPANY
ORGANIZED IN 1905

EDWARD B. RAUB
President

A. H. KAHLER
Second Vice-President
Superintendent of Agencies

OPERATING IN INDIANA, ILLINOIS, OHIO, MICHIGAN, MINNESOTA, IOWA, TEXAS AND CALIFORNIA

Greetings!

• TO THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS, on the occasion of its 52nd Annual Convention, the Manufacturers Life Insurance Company extends cordial greetings; and expresses the sincere wish that this meeting may provide as abundant inspiration to the Life Underwriting Fraternity as have those of other years.

• It is a privilege to be aligned with an Association so patently anxious to maintain its ethics and ideals on such a high plane.

• Company-wise it is gratifying to support an organization whose motive is to cultivate the general good of the business by furthering the parallel interests of the Policyholder, the Underwriter and the Company.

• We pay tribute to the work of the Association and express the hope that the years ahead may see the Association strengthened to bear enlarged responsibilities.

Established 1887

THE MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE

TORONTO, CANADA

INSURANCE IN FORCE, 604½ MILLION DOLLARS
(INCLUDING DEFERRED ANNUITIES)

ASSETS, 190 MILLION DOLLARS

which might have arisen if the accident had been more serious.

An estate planning approach was staged by I. Austin Kelly, III, Union Central Life, White Plains, N. Y. A rather novel angle was that he gave several methods by which the prospect could pay for the service rendered rather than stressing that it cost nothing.

Diedrich H. Ward, Union Central Life, New York, portrayed the part of the prospect.

Roderick Pirnie, Providence, R. I., assisted by his brother, Bruce Pirnie, Boston, both Massachusetts Mutual general agents, presented an estate service approach, using a sample analysis of family needs.

A get acquainted approach was presented by L. Mortimer Buckley, New England Mutual, Chicago, with Theodore Widing, Provident Mutual, Philadelphia, acting as his prospect. It was based on a pre-approach mailing and it took into consideration the fact that the prospect was not interested and he had another life insurance man. By establishing himself as a consultant who had ably served other business men, Mr. Buckley proceeded to sell the prospect on the idea of a 15 minute interview on his well known "House of Buckley" plan.

emphasis on the provision of adequate funds for the meeting of estate costs at all events. The key problem in the ordinary estate "is not so much how we are going to save some of the death tax bills for the prospects, but how in the world the estate is ever going to pay that bill at his death, regardless of what we can or cannot save."

Keep in Tune with Times

In pointing out the necessity for having a stock of new, constructive ideas, Mr. Cook said: "If I cannot add constructive ideas to keep in tune with the change in national thinking, I know I will find myself out of the business. Constructive ideas must follow the mass psychology of the times. In the '20s, with good bonds yielding 5 percent, we had numerous articles to show life insurance as a good investment. The buyers had to be convinced that it was a good investment. There is no argument about that today, and any idea that seeks to convince a man that life insurance is a good investment is unnecessary. The cycle has swung around to the opposite side. We used to throw in the investment with the insurance; now we throw in the insurance with the investment. We have all seen life insurance men who are able to succeed under one set of conditions and then failed when that set of conditions changed, because they either didn't realize the importance of keeping a finger on the pulse and changing with it, or were too lazy or indifferent to do so.

Have Constructive Ideas

"We must have constructive ideas but they must be set forth clearly and as simply as possible. They must be in tune with the times and the peculiar viewpoint of the man to whom we are talking, who is going to act from urges which may or may not be explained to us—urges which frequently are not entirely clear even to himself."

Prospects Reclassify Ideas to Their Own Viewpoint

(CONTINUED FROM PAGE 8)

ments; (2) Deferring income under employees' bonus plans; (3) Accumulating income in non-taxable insurance reserves; and (4) Transferring capital (old money) rather than buying life insurance out of income.

There are evidences of the trend toward elimination of avenues for tax avoidance, which must result in less and less emphasis on the tax savings aspect of life insurance and more and more

INSEPARABLE CONCOMITANTS

Let the thoughtful soul to solitude retire and search the "volumes of forgotten lore." Even then he cannot hope to come forth with a better definition of the subject involved than you find in this convention theme: "American Life Insurance—an Investment in Freedom."

Life Insurance or Freedom—either is a "pearl without price," for without the one the other cannot flourish.

LIFE INSURANCE COMPANY of VIRGINIA

BRADFORD H. WALKER, President Home Office: RICHMOND

Established 1871



GREETINGS N.A. L. U. from Kansas City, Missouri

J. FRANK TROTTER

Manager

THE MUTUAL LIFE OF NEW YORK

AN AGGRESSIVE AGENCY WITH EXPERIENCED STAFF FOR WESTERN MISSOURI AND EASTERN KANSAS
FAIRFAX BLDG., 101 W. 11th ST.

SAM C. PEARSON

GENERAL AGENT

THE NORTHWESTERN MUTUAL LIFE INS. CO.

TWELFTH FLOOR, R. A. LONG BLDG.

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General Agent

EQUITABLE LIFE INSURANCE CO. OF IOWA

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MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

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DIRECTOR OF AGENCIES, WESTERN DIVISION

THE OHIO NATIONAL LIFE INS. CO.

MISSOURI—KANSAS—OKLAHOMA

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KANSAS CITY AGENCY

J. D. McInnes, Manager

KANSAS CITY LIFE INS. CO.

UNIVERSITY CLUB BLDG., 914 BALTIMORE AVE.

Greetings TO THE N. A. L. U.

Congratulations on another year of outstanding service to the institution of life insurance, and our sincere good wishes for a memorable convention at Cincinnati.

Grant Taggart, official delegate, brings to you personally our cordial greetings.



GRANT TAGGART

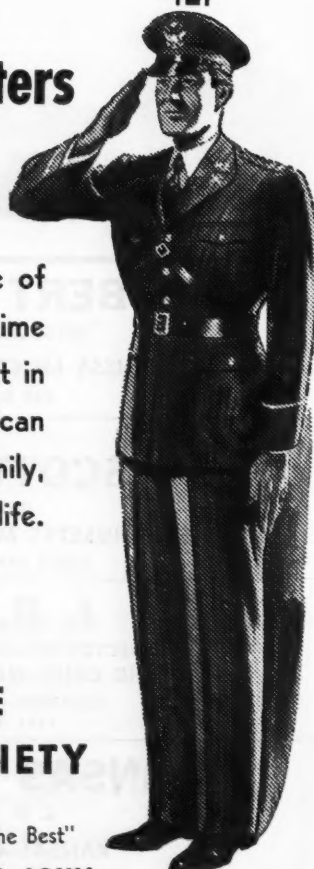
**California
Western
States
Life
Insurance Company**

HOME OFFICE:
SACRAMENTO

O. J. LACY
PRESIDENT

A SALUTE TO The Life Underwriters OF THE NATION

... whose work, in time of emergency as well as in time of peace, is all-important in safeguarding the American home, the American family, the American way of life.



**CENTRAL LIFE
ASSURANCE SOCIETY
(MUTUAL)**

Recognized Everywhere As "One Of The Best"

HOME OFFICE DES MOINES, IOWA

First Six Months of 1941

We are happy to report that:

PRODUCTION

.... WAS UP

TERMINATIONS

.... WERE DOWN

INSURANCE IN FORCE

.... INCREASED

LARGE ENOUGH TO SERVE YOU
SMALL ENOUGH TO APPRECIATE YOU

The Manhattan Life Insurance Company

120 WEST 57TH STREET

NEW YORK, N. Y.

FOUNDED 1850

3 IMPORTANT POINTS YOU SHOULD KNOW ABOUT GREAT AMERICAN LIFE

1. That your efforts with this company are being appraised by home office executives who are salesminded.
2. That the home office staff has intimate knowledge of conditions in the field through actual working experience.
3. That the management has always directed financial policies to assure Great American Life men they are selling the soundest possible insurance values ... in the form of truly "salable" contracts.

**THE
GREAT
AMERICAN**

LIFE INSURANCE COMPANY

HUTCHINSON :: KANSAS

WILL S. THOMPSON, President



Managers Adopt Code of Guiding Principles

(CONTINUED FROM PAGE 6)

velopment; to require agents to conduct their business in keeping with sound ethical practices and in observance with state laws; to cancel the contracts of those who do not give of their business time and attention as agreed or who persist in practices detrimental to the business; to support all sound efforts to restrain others from continuing practices contrary to the principles set forth to the end that the agent shall have high prestige and maximum opportunity to serve.

The code was offered by the Los Angeles association and is the work of Dr. Verne Steward, sales consultant.

Work of Los Angeles Association

Fifty-nine agency heads who do 95 percent of the business in Los Angeles constitute the association there. It has met 29 years in the same room. The program was devoted to methods of the association in solving its problems of membership, finance, programs and attendance. Dues of the association, which are \$10 quarterly, pay for luncheons, which are found conducive to good attendance at the meetings. There are 20 meetings a year. One of the important activities of the association is a legislative dinner, which is annually attended by several hundred. Attendance has averaged 44.7 persons per regular meeting.

Activity reports were given by the following: Legislative, Harold Saul, John Hancock; adult education and association history, Roy Ray Roberts, State Mutual; Better Business Bureau cooperation, membership, business practice activity, Mark Trueblood, Union Central; what the association has meant personally, Charles E. Cleeton, Occidental; motivating agents, W. M. Hammond, Aetna Life. Mr. Cleeton, as president of the Los Angeles Life Underwriters Association, extended an invitation to come to Los Angeles in 1943.

Grant Taggart, California - Western States Life, N. A. L. U. secretary, read a message of welcome from George H. Page, California-Western States, president of the Los Angeles managers, who could not attend.

Joseph Charleville, executive secretary, assisted by John H. Russell, home office Pacific Mutual, showed the activities of the Los Angeles association with graphs and pictures.

Pirnie Outlines Analysis of Family's Future Needs

(CONTINUED FROM PAGE 30)

to show you is not your insurance, it has nothing to do with your situation, it is probably not even a parallel of your case, but it will give you an idea of the formula upon which we go to work to best solve our client's problem. This is an actual case that has been handled through our organization. However, the names have been changed and the situation has been changed to make it unrecognizable even by the man whose case it is. You can obviously see that because of the confidential nature of our business this would be necessary. In going over this man's picture we found that to take care of his funeral expenses, cost of last sickness, accrued taxes, administration fees, and outstanding obligations was going to require \$6,500.

Wipe Slate Clean

All right, we arranged \$6,500 payable to his wife in such a way that she could draw cash to pay these obligations as they became due. This being done, we have wiped the slate clean as far as the man himself is concerned. We can now turn to the most important part of this whole picture which is the care of his wife and children. This man wanted his wife to stay in the house that she was in, keep his son and daughter in the schools they were in, and carry on just as though he were there for one whole year, so he provided an income of \$500

Our Congratulations . . .

HARRY T. WRIGHT
and our compliments include
all who helped you make your
year as National Association
President one of outstanding
accomplishment.

JEFFERSON STANDARD

With Calometer New DIRECT MAIL PLAN

SHORT CUT TO MORE BUSINESS!

ANSWERING the popular demand for MORE CALEMETER Direct Mail PROSPECTING AIDS—we present a Bigger, Better, more diversified variety of thoroughly tested sales helps—applicable to all types of prospects and life insurance plans. Your short cut to a steady flow of profitable interviews and sales.

Get This New Portfolio — "MORE BUSINESS"

It contains a wealth of sales-getting ideas and the following prestige building direct mail aids: (1) Visual Selling Letterhead; (2) Series of suggested Sales Letters; (3) Endless Chain Prospecting Cards; (4) Educational Plan Folder; (5) Sunrise of Income "Pop-Up" Folder; (6) "Million Dollar" sales talks and selling plans. Vividly illustrated with attention arresting, motivating pictures that tell and sell SPECIFIC NEEDS and the PROGRAMMING IDEA of life insurance. Focused around Calometer and the easy, up-to-date, Coin-A-Day way of building up an adequate insurance program.

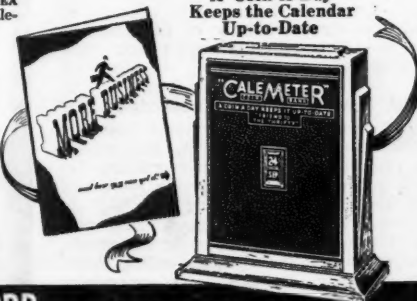
SPECIAL OFFER — SEND TODAY
The complete portfolio—"MORE BUSINESS" is sent to you without cost with your sample order for one ESTATER CALEMETER BANK at the special sample price. **\$1.00**
Postpaid.

For the portfolio itself, send 25c in coin or stamps.

HOME OFFICE EXECUTIVES, Managers: Write for our cooperative plan that saves money for your agents.

Speed Up Your Prospecting!
Increase Your Sales and Earnings!
with this Proven Successful
Combination of
CALEMETER and DIRECT MAIL

A Coin-A-Day
Keeps the Calendar
Up-to-Date



ZELL PRODUCTS CORP. 536 BROADWAY, NEW YORK, N. Y.

Inter-Ocean Agents

In 23 States
Extend Greetings
to their
first cousins
of the
N. A. L. U.
and
wish them
a
successful
convention
in Cincinnati

Inter-Ocean Officials

welcome
the Life men
to their
home city
and invite
them to
visit
the
Executive
Offices in the
American Building

INTER-OCEAN CASUALTY CO.

Income Protection
Specialists
Since 1903

AMERICAN BLDG.
CINCINNATI, OHIO

a month for the first year. In other words, he separated his economic from his physical death by 12 months.

It was impossible for him to own enough life insurance to project that income beyond the period of one year but he did give his wife 12 months to get adjusted to the new situation that she would have to face, which was an income of \$200 a month beginning at the end of that first year. This income continues up to the time that the children can furnish affidavits of the fact that they are in attendance at a college or a university, not when the boy and girl are 18 years old and know more than their mother ever dreamed of knowing, but when they can prove that they have the goods and can get into a college or university. Then and only then, independent of their mother or any man their mother may have married, each will draw from their father \$90 a month for the next five years, giving each four years in college and one year to get on his feet, after which time they should be able to take care of themselves.

Income For Life

By the time the children go to college the mother loses the liability of the children and her income drops from \$200 a month to \$175 a month, at which figure it remains as long as she lives. Upon her death the same income goes equally to her children as long as they live, and upon their death each has an estate of \$35,500 to dispose of according to their wills. There are two other little things in this estate, one of them is a Christmas present of \$35 each Christmas. Call that sentiment if you like, this man had thought of putting this on his wedding anniversary, but he decided that was a dirty trick to play on his successor, if any, so he made it a Christmas present, but the real purpose of it is to provide \$1,000 cash to the children which they would probably use to take care of their mother's funeral expenses when, as and if that situation should arise. The other little point is an emergency fund of \$5,000 from which the mother will draw the interest income but from which she also may take the principal, not, however, to exceed \$1,000 in any one year. That will take care of five major difficulties such as accidents, doctor's bills, hospital expense, a fire, a trip somewhere, the daughter's wedding, or even a new automobile, but not a \$3,000 car, to be run on a \$200 a month income.

Contract With Companies

Now all of these things are things that this man will do if he lives, but were he to die tonight—and I want to make this point particularly clear—were he to die tonight, his estate would be handled in this manner as a matter of contract between him and the companies in which he owns life insurance, not with the Roderick Pirnie Estate Service. These funds never pass through our hands, but are paid directly to the beneficiaries by the life insurance companies themselves for the insured as designated.

However, should this man live and reach the age of 65, the cash value of what he has been putting into this proposition, and it is all ordinary life (for in this instance not one cent of it is endowment or limited payment insurance) the cash value of this picture is sufficient to give him an income of practically \$420 a month as long as he shall live. So you see we have taken care of the man's obligations, his wife, his children and the old man all through a carefully organized life insurance estate.

How Policies Fit Into Picture

When this estate is done it looks something like this. There is the story written in layman's language showing exactly how every policy fits into the picture and what policy is to be used for what purpose, together with a diagram of the whole plan which gives a bird's eye view of exactly how that life insurance is arranged, together with what we call the selfish sheet, telling him what he can do with those policies.

Then as a convenient record, the analysis of each contract.

Now what I would like to do is this. I would like to take your life insurance contracts, set them up in book form like this, make the analysis and then come back to you and sit down with you and go over this laboratory sheet so as to get the picture of your situation if anything were to happen to you. When we have obtained all the information, we will then try to suggest a plan and come back to you and submit it, giving you our suggestion for the solution of your problem. Do you keep your policies here or are they in the safe deposit vault?

Mr. Prospect: That's interesting, but what does it all cost?

Explains His Proposition

Roderick Pirnie: Here is my proposition and you decide yourself whether or not it is fair. If you will give me your contracts, I will make an analysis of them, come back and go over the laboratory sheet with you, giving all the information necessary to submit a picture. I will then return to you with the plan. Now when that plan is presented to you, if it involves the purchase of additional life insurance and you choose to purchase it, naturally we feel that a workman is worthy of his hire and therefore we should be entitled to the business. If, however, it does not involve the purchase of additional life insurance and it frequently does not, but the plan as outlined does appeal to you and you want us to effect it for you, we will at that time discuss doing it on a fee basis, which will, I assure you, be a very nominal sum. If, however, none of these things occur: 1. You do not wish to purchase additional life insurance; 2. You have no use for our plan and suggestion—then we will give you the inventory of your contracts together with a diagram showing exactly what the present distributions of the funds created by them would be in case of your death and expression of appreciation for a chance to show our goods. Could anything be fairer?

Mr. Prospect: No, I guess not. Here they are.

Qualities Needed to Build Agency Morale Outlined

(CONTINUED FROM PAGE 34)

understanding of the three basic principles of morale building. They are: (a) the principle of recognition, which means giving agents a sense of personal worth, (b) the principle of giving agents a sense of security, and (c) the principle of having and using the professional skill of the life insurance business. A manager must really understand these three principles so clearly that he can easily recognize situations in which any of them may be involved.

Must Use Specific Methods

(3) In the third place, a manager must know and use specific methods, such as those described, for effectively applying the principle of security and the principle of recognition. These methods include: Being impartial among agents; avoiding competition with agents; being tactful in making suggestions; avoiding sudden changes; using an agents' advisory committee; recognizing each agent's abilities and achievements; allowing agents to "save face"; and presenting new ideas indirectly. A manager must thoroughly understand each of these methods that he attempts to use. He must see back of each method the morale building principles that make it effective.

Must Have Technical Knowledge

(4) Finally, a manager must have the technical ability or professional skill needed to give his agents effective guidance in their work. He must know the subject of life insurance, and he must have skill in selling. What is more important, he must be able to train and supervise his agents, and coordinate the agency's selling methods, training methods, and supervision methods into a well-balanced operation.

2 IN 1 SALES ARE CREATED WITH GREAT NORTHERN LIFE'S COMPLETE PROTECTION POLICY

Containing Important and Very Desirable Features

- Cash values begin end of third policy year.
- Premiums after the first are waived while the insured is totally and permanently disabled.
- Thirty-one days of grace for the payment of all premiums after the first.
- One policy jacket—one premium notice—one remittance.
- Payment for death doubles in case of accidental death; and trebles in case of specified common carrier accidental deaths.
- Premium may be paid annually, semi-annually, or quarterly.
- Any portion of the annual premium due after death is not deducted from the amount paid as a death loss.
- Life protection plus accident and health income benefits for LIFE.
- Written non-medical up to \$2,500 (male), ages 20 to 45; up to \$1,500 on business and professional women, ages 20 to 45.
- Selling Complete Protection protects the agent against leaving a client only partially protected.

WE WILL GLADLY SEND YOU COPY OF DESCRIPTIVE FOLDER, FORM 475.

GREAT NORTHERN LIFE INSURANCE COMPANY

110 S. DEARBORN STREET

CHICAGO, ILLINOIS



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MEN SEEKING A LIBERAL AGENCY CONNECTION OFFERING UNLIMITED OPPORTUNITY ★★★★★ WRITE TO

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COMMONWEALTH LIFE'S accelerated Extension Program offers attractive incomes and agency possibilities to men who desire unrestrained selling freedom. Commonwealth Life ranks among America's best rated companies. It offers policies to meet every contingency, from birth to the age of 70. Make an appointment by return mail. Our Field Representative will meet you in your city. Address your letter to

A. WALTON LITZ ★ MANAGER OF AGENCIES

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Commonwealth Life

INSURANCE COMPANY

HOME OFFICE ★ LOUISVILLE, KENTUCKY

All letters and interviews will be held strictly confidential.

ADVANCING AMERICAN LIFE INSURANCE by ADVANCING THE LIFE UNDERWRITER

The American agency system is responsible for the tremendous growth of life insurance in America.

When The Equitable was organized in 1859—eighty-two years ago—there were but a few hundred life insurance representatives in the entire country. Today there are over one hundred and thirty thousand, servicing 117 Billions of insurance in force, and due to whose efforts over 2½ Billions are being paid out to policyholders and beneficiaries every year.

The growth of the Equitable during the past eighty-two years has been even more rapid than that of life insurance generally. But in seeking to extend its own company services, the Equitable has been conscious of the contribution it could make to life insurance institutionally by facilitating the work of the life underwriter, aiding in his education and training, and elevating his status to that of a professional calling. Today the prestige of the American life underwriter is higher than ever; and with pardonable pride the Equitable points to some of the forward movements it has initiated—or supported—for the benefit of the fraternity at large.

It has made the work of the agent more attractive by broadening and liberalizing the policy contract. The present popularity which life insurance enjoys is in no small degree due to its vision and enterprise.

It was among the first companies to inaugurate a program of education and training for agents. As far back as 1902 classes of instruction were held, and a few years later a correspondence course covering the fundamentals of the business and sales procedure was introduced.

It has issued books on life insurance salesmanship and made them available to the agents of all companies.

Collaborating with other companies, it was one of the sponsors of the Life Insurance Sales Research Bureau.

It aided in the formation of the American College of Life Underwriters.

More recently it has given whole-hearted support to the S. S. Huebner Foundation for Insurance Education.

When the Institute of Life Insurance was proposed as a means of interpreting life insurance more effectively to the general public, The Equitable was one of the earliest advocates.

This year it inaugurated for the benefit of its agents an improved system of compensation with retirement benefits—a plan that has been characterized as a model of its kind.

And in support of one of the greatest instrumentalities for the advancement of the agent—The National Association of Life Underwriters and the many Local Associations—The Equitable has encouraged managers and agents to maintain membership and give unsparingly of their time and talents.

Today, American life insurance is recognized as a great financial bulwark in the national economy. The groundwork laid by The Equitable and other companies during past decades in behalf of the life underwriter is proving of immeasurable value in the present crisis. American life underwriters can and will respond to the opportunities—and responsibilities—for which the past years of training and education have equipped them.



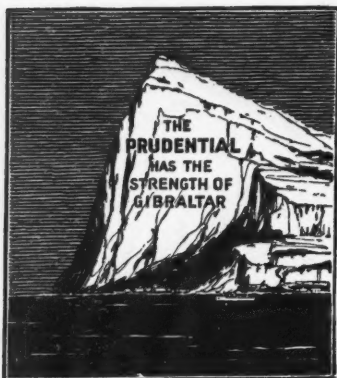
THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE UNITED STATES

A Mutual Company organized under the laws of the State of New York

New York, N. Y.

Thomas I. Parkinson, President



"Look About You!"

Any life insurance agent in search of prospects will find this to be sound advice.

The records disclose that virtually every calling and every stratum of life is represented among the millions of life insurance policyholders.

That not only appears to be as complete an endorsement of this form of security as one would wish, but it presents a promising field for the salesman who is alert to his opportunities.

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